104 Y 4.R 31/3:104-68

NATIONAL FISH AND WILDLIFE FOUNDATION

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS

OF THE

COMMITTEE ON RESOURCES HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

ON

THE EFFECTIVENESS OF THE NATIONAL FISH AND WILDLIFE FOUNDATION AND PROJECTS THAT THEY ARE FUNDING

MAY 16, 1996—WASHINGTON, DC

Serial No. 104–68

Printed for the use of the Committee on Resources

Superintendent of Documents
DEPOSITORY
SEP 04 1996
Boston Public Library
Government Documents Dept.

U.S. GOVERNMENT PRINTING OFFICE
25–646cc WASHINGTON : 1996

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-052878-X

104 Y 4.R 31/3:104-68

NATIONAL FISH AND WILDLIFE FOUNDATION

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS

OF THE

COMMITTEE ON RESOURCES HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

ON

THE EFFECTIVENESS OF THE NATIONAL FISH AND WILDLIFE FOUNDATION AND PROJECTS THAT THEY ARE FUNDING

MAY 16, 1996—WASHINGTON, DC

Serial No. 104–68

Printed for the use of the Committee on Resources

Superintendent of Documents
DEPOSITORY
SEP 04 1996
Boston Public Library
Government Documents Dept.

U.S. GOVERNMENT PRINTING OFFICE
25–646cc ≠ WASHINGTON : 1996

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-052878-X

COMMITTEE ON RESOURCES

DON YOUNG, Alaska, *Chairman*

W.J. (BILLY) TAUZIN, Louisiana
JAMES V. HANSEN, Utah
JIM SAXTON, New Jersey
ELTON GALLEGLY, California
JOHN J. DUNCAN, JR., Tennessee
JOEL HEFLEY, Colorado
JOHN T. DOOLITTLE, California
WAYNE ALLARD, Colorado
WAYNE T. GILCHREST, Maryland
KEN CALVERT, California
RICHARD W. POMBO, California
PETER G. TORKILDSEN, Massachusetts
J.D. HAYWORTH, Arizona
FRANK A. CREMEANS, Ohio
BARBARA CUBIN, Wyoming
WES COOLEY, Oregon
HELEN CHENOWETH, Idaho
LINDA SMITH, Washington
GEORGE P. RADANOVICH, California
WALTER B. JONES, JR., North Carolina
WILLIAM M. (MAC) THORNBERRY, Texas
RICHARD (DOC) HASTINGS, Washington
JACK METCALF, Washington
JAMES B. LONGLEY, JR., Maine
JOHN B. SHADEGG, Arizona
JOHN E. ENSIGN, Nevada

GEORGE MILLER, California
EDWARD J. MARKEY, Massachusetts
NICK J. RAHALL II, West Virginia
BRUCE F. VENTO, Minnesota
DALE E. KILDEE, Michigan
PAT WILLIAMS, Montana
SAM GEJDENSON, Connecticut
BILL RICHARDSON, New Mexico
PETER A. DEFAZIO, Oregon
ENI F.H. FALEOMAVAEGA, American Samoa
TIM JOHNSON, South Dakota
NEIL ABERCROMBIE, Hawaii
GERRY E. STUDDS, Massachusetts
SOLOMON P. ORTIZ, Texas
OWEN B. PICKETT, Virginia
FRANK PALLONE, JR., New Jersey
CALVIN M. DOOLEY, California
CARLOS A. ROMERO-BARCELÓ, Puerto Rico
MAURICE D. HINCHEY, New York
ROBERT A. UNDERWOOD, Guam
SAM FARR, California
PATRICK J. KENNEDY, Rhode Island

DANIEL VAL KISH, *Chief of Staff*
DAVID DYE, *Chief Counsel*
CHRISTINE KENNEDY, *Chief Clerk/Administrator*
JOHN LAWRENCE, *Democratic Staff Director*

SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS

JIM SAXTON, New Jersey, *Chairman*

DON YOUNG, Alaska
W.J. (BILLY) TAUZIN, Louisiana
WAYNE T. GILCHEST, Maryland
PETER G. TORKILDSEN, Massachusetts
LINDA SMITH, Washington
WALTER B. JONES, JR., North Carolina
JACK METCALF, Washington
JAMES B. LONGLEY, JR., Maine

GERRY E. STUDDS, Massachusetts
GEORGE MILLER, California
SAM GEJDENSON, Connecticut
SOLOMON P. ORTIZ, Texas
FRANK PALLONE, JR., New Jersey
SAM FARR, California
PATRICK J. KENNEDY, Rhode Island

HARRY BURROUGHS, *Staff Director*
JOHN RAYFIELD, *Professional Staff*
LIZ BIRNBAUM, *Democratic Counsel*

CONTENTS

	Page
Hearing held May 16, 1996	1
Statement of Members:	
Chenoweth, Hon. Helen, a U.S. Representative from Idaho	2
Saxton, Hon. Jim, a U.S. Representative from New Jersey, and Chairman, Subcommittee on Fisheries, Wildlife and Oceans	1
Young, Hon. Don, a U.S. Representative from Alaska, and Chairman, Committee on Resources	2
Statement of Witnesses:	
Ashe, Daniel M., Assistant Director of External Affairs, U.S. Fish and Wildlife Service	6
Prepared statement	34
Bonner, Fred, Garner, NC	30
Prepared statement	86
Eno, Amos, Executive Director, National Fish and Wildlife Foundation	8
Prepared statement	40
Exxon Corporation (prepared statement)	94
Gast, Stephen E., Onshore Regional Exploration Manager, Phillips Petroleum Company	26
Prepared statement	74
Jarck, Walter, Director of Forestry, Forest Resources, Georgia-Pacific Corporation	19
Prepared statement	51
Little, Jim, National Cattlemen's Beef Association	28
MacColl, Eugene Kim, Jr., Vice President, Oregon Wildlife Heritage Foundation	23
Prepared statement	62
Owen, Carlton, Director, Timberlands Program, Champion Paper International	21
Prepared statement	55
Peterson, R. Max, Executive Vice President, International Association of Fish and Wildlife Agencies	10
Prepared statement	48
Additional material supplied:	
Christie, John: Article, "Restoration Projects Explore Ways To Improve Salmon Habitat"	67
Phillips Petroleum Company: Fact sheets	79
Thorn, Barry A., and Kelly M.S. Moore: Article, "North Coast Habitat Project"	68

NATIONAL FISH AND WILDLIFE FOUNDATION

THURSDAY, MAY 16, 1996

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS, COMMITTEE ON RESOURCES,

Washington, DC.

The Subcommittee met, pursuant to call, at 9:00 a.m., in Room 1334, Longworth House Office Building, Hon. Jim Saxton (Chairman of the Subcommittee) presiding.

STATEMENT OF HON. JIM SAXTON, A U.S. REPRESENTATIVE FROM NEW JERSEY, AND CHAIRMAN, SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS

Mr. SAXTON. The Subcommittee will come to order. I want to thank everybody for being here this morning. We are operating under some time constraints as we have a Full Committee markup at eleven o'clock, and so we will certainly try to close by then.

The subject of today's hearing is the effectiveness of the Fish and Wildlife Foundation. It was established in 1984 as a nonprofit corporation. By way of background, the Foundation's purposes are as follows: one, to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities of the U.S. Fish and Wildlife Service.

And, two, to undertake to conduct such activities that will further the conservation and management of the fish, wildlife, and plant resources of the United States and its territories and possessions for future and present generations.

Since the National Fish and Wildlife Foundation was established, the Foundation has funded more than 1,200 conservation projects throughout the United States and, interestingly enough, in 17 other countries. By using a partnership and challenge grant approach, conservation projects worth more than $168 million have been funded with $47.4 million in Federal appropriations. This type of leveraging has helped keep the taxpayers' costs down while keeping the taxpayers' benefits high.

There has been some criticism of the Foundation over this past Congress, and I am hoping that this hearing will clear the air. And I am looking forward to hearing from all of our witnesses about their experiences with the Foundation.

The minority members I am told are tied up in a Whip meeting, and so we are going to proceed with their concurrence in their absence. I would ask unanimous consent at this point that all the Subcommittee members, whether present or not, be permitted to

include their opening statements in the record. Hearing no objection, we will proceed along those lines.

[Statement of Mr. Young follows:]

STATEMENT OF HON. DON YOUNG, A U.S. REPRESENTATION FROM ALASKA, AND CHAIRMAN, COMMITTEE ON RESOURCES

Mr. Chairman, I want to compliment you for holding this oversight hearing on the National Fish and Wildlife Foundation.

While the authorization for the Foundation does not expire until September 30, 1998, it is appropriate that we review the effectiveness of the Foundation, the success or failure of its matching grants program, and whether our taxpayers' money is being soundly invested.

Since the Foundation was established in 1984, its level of Congressional authorization has dramatically increased from $1 million over the first ten years to $25 million per year.

Together with private money, the Foundation has funded more than 1200 conservation projects throughout the United States and 17 other countries. The recipients of these conservation grants have received some $168.2 million, of which $47.4 million was a direct result of Federal appropriations. This is a ratio of $2.37 of non-Federal money for each Federal dollar appropriated to the Foundation.

In recent years, the Foundation has been involved in several high profile undertakings. For instance, last September, the Foundation joined the Exxon Corporation in establishing the "Save the Tiger Fund." The purpose of this fund is to "generate awareness and raise funds for the tiger's fight for survival."

In my judgment, this is a good project and it complements the effort of those of us who were successful in having the Rhinoceros and Tiger Conservation Act of 1994 signed into law.

In addition, the Foundation provided money to several groups involved in the reintroduction of various wolf populations and for the establishment of the controversial Florida Keys National Marine Sanctuary.

Finally, it is my hope that we will learn what changes, if any, are needed to the National Fish and Wildlife Foundation Establishment Act. For instance, do we need to increase the one-for-one matching requirement? Does the Foundation still require a $25 million per year authorization and should the law be changed to ensure that money provided by the Foundation is not used for lobbying, litigation, or direct mail appeals? I look forward to receiving the answers to these questions and to the testimony of our distinguished witnesses.

Thank you, Mr. Chairman.

Mr. SAXTON. I would now like to recognize the gentlelady from Idaho, Mrs. Chenoweth, who will please come forth. And I know that we have had private conversations about this issue in the past. And so if you would like to proceed with your testimony, I understand you are going to take a little bit more than five minutes, which is fine. So, Helen, if you would like to proceed.

STATEMENT OF HON. HELEN CHENOWETH, A U.S. REPRESENTATIVE FROM IDAHO

Mrs. CHENOWETH. Thank you, Mr. Chairman, and members of the Subcommittee. I really appreciate this opportunity to testify about the National Fish and Wildlife Foundation.

During my first several months in office, I corresponded with the Foundation to learn more about how their grants affect Idaho and other western states with resource-dependent economies. After reviewing this information, I have painfully concluded that the Foundation is actively funding the Clinton-Babbitt War on the West and in some cases promotes corporate welfare. Moreover, some of the Foundation's internal activities and grants involve political advocacy.

The Foundation was established in 1984 pursuant to H.R. 2809. However, according to reliable sources at that time, President

Reagan seriously considered vetoing this legislation. In fact, his March 26, 1984, signing statement for this legislation said, "Entities which are neither clearly governmental nor clearly private should not be created. The Supreme Court has recently warned against constitutional innovations merely because they seem to be expedient.

"Establishment of the Foundation under the terms of this bill is an unwise and dangerous precedent. I have given serious consideration to vetoing the bill even though I support its laudable objectives."

The Foundation was originally provided with $100,000 annually in Federal funds, which, according to former Secretary Manuel Lujan and others, was intended as one-time seed money. As you know, the Foundation and its supporters have successfully lobbied this Congress for more Federal funds and, according to its own annual report, received nearly $11 million in Federal funds in 1995. This amounts to over 30 percent of its operating budget.

In other words, it raises over two-thirds of its funds from the private sector. Its board of directors and advisory committee has included such wealthy and prominent figures as Marshall Field, Perry Pass of Texas, Nancy Weyerhaeuser, Caroline Getty, Tony Coehlo, and others. Moreover, this list also includes many well-connected former congressional and executive agency officials.

At a time when Congress is forced to make painful cuts in vital programs for low income people, I cannot in good conscience allow the Foundation to continue receiving any Federal funds when it is consistently shown that it is fully capable of financing itself.

Author Alston Chase, in a column last year on the Foundation, pointed out that America has plenty of philanthropies and does not need another one. He stated, "By 1993, according to the Environmental Data Institute, there were 1,800 environmental grantmakers, which, since 1988, made more than 22,000 grants. Just the top 417 of these givers have combined assets totaling more than $110 billion and collectively award more than $340 million in receipts each year."

Mr. Chairman, let Congress balance the budget and allow the private sector to entirely fund the National Fish and Wildlife Foundation. Last year, the House Interior Appropriations Subcommittee agreed on this very point. Their report on the Fiscal Year 1996 Interior Appropriations bill stated on page 26 that this is the last year of Federal funding for the Foundation.

Let me explain some of the more egregious Foundation grants awarded in Idaho that amount to taxpayers paying for gasoline to pour on the flames of the Clinton-Babbitt War on the West. With your indulgence, I will provide some specific examples.

Since 1992, the Foundation provided $143,500 in grants to the Pacific Rivers Council. This is the same group which 16 months ago, represented by the Sierra Club Legal Defense Fund, obtained a decision from a Federal District Judge, in Hawaii by the way, which temporarily halted all grazing, all mining, and all road-building activities on six Idaho national forests to protect salmon. This $143,500 in Foundation grants leveraged the ability of the Pacific Rivers Council to threaten economic terror to 18 of my State's 44 counties.

Although the Foundation will claim it has strict prohibitions against its grants being given for litigation and lobbying, its grant money put Pacific Rivers Council in a better position to be involved in this very devastating litigation. Since Chairman Saxton joined a majority of the House in supporting the McIntosh-Istook amendments designed to stop Federal funding of nonprofits that engage in political advocacy, you are well aware of this abuse by certain nonprofit groups that receive Federal funds.

Mr. Chairman, I understand at a hearing last month in Gillette, Wyoming, you heard directly about the vehement opposition of many Westerners to reintroducing the gray wolves in Wyoming and central Idaho. Idaho's governor, our congressional delegation, and the State legislature also strongly oppose this ill-conceived plan.

Unfortunately, the Foundation has provided over $140,000 in recent years toward this effort. Some of this money has gone to radical groups such as the Wolf Fund and Defenders of Wildlife which have done much to polarize Westerners on the wolf issue.

Idahoans are also bitterly opposed to the artificial introduction of grizzlies into Idaho as proposed by the U.S. Fish and Wildlife Service. Our governor and attorney general are actively opposed to this plan. The Foundation once again has ignored the wishes of Idahoans and has provided grants to the University of Montana, the U.S. Fish and Wildlife Service, and others to introduce this critter into Idaho.

One $10,000 grant was approved by the Foundation's Board on April 19, 1992, to Dr. Ray Murray of the University of Montana. Its stated purpose was to "augment the grizzly bear population in the Cabinet-Yaak Mountains of the northwestern Montana and Idaho area with bears from British Columbia and to develop a recovery plan for grizzly bears in the 5,400 square mile Bitterroot area in northern Idaho."

I am also appalled the Foundation has awarded millions of dollars to environmental groups that lobby Congress and Federal agencies daily over the Federal legislation and environmental regulation. According to the book, "Environmentalism at the Crossroads," between 1986 and 1995, these environmental groups received the following total amounts:

The American Rivers received $55,000; the Center for Marine Conservation, $94,398; Defenders of Wildlife, $149,000; Environmental Defense Fund, $308,000; the National Audubon Society, $209,000; Rainforest Alliance, $158,000; and World Wildlife Fund, $365,580.

Mr. Chairman, these, in large part, are organizations whose annual budget amounts to the tens of millions of dollars. There is a great concern about the vast amount of Federal ownership of land and water rights in Idaho since our arid state has already over 60 percent federally owned land.

According to a recent GAO study, the Nature Conservancy and the Conservation Fund have transferred 18,218 and 63,838 acres respectively to the Federal Government during the years of 1964 through 1994. Unfortunately, the Foundation has given grants to both groups which merely puts them in a better financial position to buy our land and water and to sell it to the Federal Govern-

ment. In the process, already beleaguered rural communities experience further erosion of their property rights and their tax base.

In fact, the Foundation's Board approved a grant of $100,000 on November 7, 1993, to the Idaho Nature Conservancy to assist in the purchase of the 1,450 acres of a flying ranch, and that included the water rights in the Henry's Fork of the Snake River.

I understand you will hear today from several large corporations supporting continued Federal funding for the Foundation which has provided them grant moneys for various worthy projects. This certainly appears to many to be a form of corporate welfare. I urge these corporations to get the private sector to fully fund these projects.

Mr. Chairman, how can I explain to sawmill workers in Orofino and St. Maries, Idaho, making a mere $9.50 an hour and whose very jobs are threatened by the agenda of radical environmental groups that their hard-earned taxes should fund research for large corporations that own millions of acres of valuable timberlands?

Mr. Chairman, in summary, I agree with the House Interior Appropriations Subcommittee that Federal funding for the Foundation should terminate at the end of this fiscal year. It is fully capable of funding itself with private sources.

Idaho taxpayers should not see their tax dollars sent to Washington, DC, and given to radical environmental groups to inflame the Clinton-Babbitt War on the West, provide corporate welfare, or to be used to lobby Congress or take Federal agencies to court. Thank you, Mr. Chairman, for the privilege of appearing before your committee.

Mr. SAXTON. Well, thank you, Mrs. Chenoweth, for certainly a very articulate presentation and a very clear statement as to how you see this situation. Let me just, if I may, come to the crux of your testimony and just get you to verify that this is, in fact, your problem. And if it is not, please clear me up.

The problem here exists, I believe, as you and your constituents and other folks, particularly in the West, see it, in that the Federal Government funds this organization which, in turn, uses money, and I think you might stipulate probably other money that is raised elsewhere, to fund activities that are beyond the stated statutory purpose that we had in mind or that President Reagan had in mind when he signed the bill into law. And that those activities go in a direction which is unintended by the appropriators who actually make the money available. Is that a fair statement?

Mrs. CHENOWETH. Yes, Mr. Chairman. And to further clarify it, actually the moneys that are donated by the Fish and Wildlife Foundation actually free up other moneys in other organizations to engage in litigation that really is harmful to the economic well-being of my State—not only the economic well-being, but also the entire culture and heritage of my State and western states.

When the Foundation is able to free up other money in these organizations, although they don't directly fund, for instance, litigation, nevertheless, they are indirectly involved in allowing or providing the ability for that litigation to occur.

Mr. SAXTON. Thank you. Do other members have questions?

Mr. GILCHREST. Mrs. Chenoweth, I don't have any specific questions. I just want to thank you for coming to testify before us this

morning to give us some valuable insight on your perspective concerning the Fish and Wildlife Foundation. I think it is a worthy program, and it is something that probably can do an awful lot of positive things for the country.

And maybe what is lacking here is what you have provided us this morning—your insight and some better communication between the Federal Government and the State government that has pretty clear responsibility over the region that is in their jurisdiction.

I do want to say that you come from a magnificent State, and I lived in a wilderness cabin between the Lochsa River and the East Fork of the Moose Creek for quite some time, and it is a spectacular place. So we want on this Subcommittee certainly to work with you to ensure that the people in Idaho are treated fairly and the beauty that you have been blessed with is maintained. But thank you for coming.

Mrs. CHENOWETH. Thank you, Mr. Gilchrest. And I do want to say for the record that I believe this is a worthy cause in large part. However, the purpose in my appearing before this committee is to make a statement about the fact that we need to ask ourselves is funding with Federal taxpayers' fund the proper role for the Federal Government to be engaged in—this kind of activity. So I thank you very much.

Mr. GILCHREST. And I think that is a good question to raise.

Mr. SAXTON. Mr. Torkildsen.

Mr. TORKILDSEN. No questions, Mr. Chairman.

Mr. SAXTON. All right. Well, listen. Thank you very much, Helen, for being here with us this morning. We appreciate the time that you have spent, not just today, but over the past months on this issue, and you will be hearing more from us.

Mrs. CHENOWETH. Thank you.

Mr. SAXTON. I would like to now introduce our next panel of witnesses—no strangers to this Subcommittee. Mr. Dan Ashe, Assistant Director of External Affairs, Fish and Wildlife Service; Mr. Amos Eno who is the Executive Director of the National Fish and Wildlife Foundation; and Mr. R. Max Peterson, Executive Director of the International Association of Fish and Wildlife Agencies. Welcome. You have heard the previous testimony. Would you like to proceed? We will start with Mr. Ashe.

STATEMENT OF DANIEL M. ASHE, ASSISTANT DIRECTOR OF EXTERNAL AFFAIRS, U.S. FISH AND WILDLIFE SERVICE

Mr. ASHE. Thank you, Mr. Chairman. I am happy to have the opportunity to present our views on the National Fish and Wildlife Foundation. In a nutshell, the Foundation is doing an outstanding job. It has pioneered and practically perfected the common sense concept of public-private partnerships for conservation.

There are many examples, but a few of them are outlined in my testimony—the Malpai Borderlands Group in Arizona and New Mexico, which is demonstrating how to manage rangelands for cattle, hunting, and biological diversity. This is an effort which is really spearheaded by landowners and ranchers themselves.

Cooperative demonstration projects in Wyoming and Utah that involve landowners, big game and livestock interests, and State

and Federal land managers; grants to the TREE Foundation in Maine that are helping to bring together major timber companies and conservation groups in common conservation efforts.

The Foundation also is able to provide financial assistance to the Fish and Wildlife Service for a variety of projects for which we simply cannot afford to do on our own. Some of this assistance is small like a $15,000 grant from the Foundation and outside sources to support census and survey work about interactions between hunters and tourists and the effects on walrus in Alaska, and as much as $9.5 million to assist the Service with land acquisitions along the Mississippi River in the aftermath of the 1993 floods.

The Foundation is matching a generous private donation toward the construction of a state-of-the-art environmental education center at the John Heinz National Wildlife Refuge outside of Philadelphia. This simply wouldn't have happened without the Foundation.

The Foundation is bringing nonFederal funds to very important conservation efforts, and perhaps one of the best examples is the private funding which they have helped leverage to support the Natural Communities Conservation planning process in California. They have brought over 3 million nonFederal dollars to that critically important process in Riverside, Orange, and San Diego Counties in California.

The Foundation is assisting the Service in its Partners for Wildlife Program, which provides advice and minor construction services to private landowners seeking to protect or restore wetlands on their property. This private lands program has been enormously popular with landowners throughout the country. And the Foundation's assistance has included grants to the Wisconsin Waterfowl Association, to Ducks Unlimited in the Central Valley of California, and to the Delta Wildlife Foundation in Mississippi.

The Foundation has been very helpful to the Service in promoting conservation of fisheries and neotropical migratory birds. The plight of neotropical birds, which most people know as songbirds like bluebirds and hummingbirds, is becoming increasingly aware. The reasons we don't fully understand, but they are certainly linked to habitat loss and fragmentation in the breeding and wintering grounds for our songbirds.

Through the Partners in Flight Program, which was initiated by the Foundation in 1990, in which the Service is a leading participant, private landowners around the country and internationally are being encouraged to take steps to make their land better habitat for these birds. The response, again, has been overwhelmingly positive and is a voluntary approach to conservation.

The Foundation is becoming increasingly active and effective in helping conserve our fishery resources—providing grants to help restore the Henry's Fork of the Snake River in Idaho and grants to help sportfishing groups restore land along the Kenai River in Alaska.

We believe the Foundation is functioning extremely well and as Congress originally envisioned. The grant program complements the priorities of the Fish and Wildlife Service and, in many cases, provides benefits which could not be obtained by appropriating a like amount to the Service or any other governmental body.

This is true because the Foundation has the ability to leverage this money through fundraising, and because as a private entity, the Foundation is often welcomed where the Federal Government simply isn't. We don't have any recommendations for changes to the Fish and Wildlife Foundation Act at this time. We simply urge your continued support for the Foundation and ask your help in securing the funding requested in the Administration's budget which includes $6 million through the Fish and Wildlife Service.

Just to summarize, I know you are going to hear a lot today about lawsuits and funding of different organizations by the Foundation. And I would just like to add that not only do I believe we are not being sued as a result of the activities of the Foundation, I am convinced that we are being sued less as a result of the work of the Foundation because of their focus on building partnerships and building consensus to achieve practical conservation results.

And also last night as I was going over my testimony, I am not a very technological person, but there was a time about eight years ago when we didn't have a microwave in our house. And right now I don't know how I would get along without a microwave oven. And there was a time when we got along without the Fish and Wildlife Foundation, but I can't imagine how we would get along with them today. Thank you.

[Statement of Mr. Ashe may be found at end of hearing.]

Mr. SAXTON. Thank you very much, Mr. Ashe. Mr. Eno.

STATEMENT OF AMOS ENO, EXECUTIVE DIRECTOR, NATIONAL FISH AND WILDLIFE FOUNDATION

Mr. ENO. Mr. Chairman, my written testimony sets forth the basic philosophical style underpinning the Foundation, our operating record of accomplishment since we initiated grant programs in 1986, and our day to day modus operandi.

We have provided a track record of quiet accomplishment that is largely unheralded, but, nonetheless, a record of extraordinary achievement. The Foundation is a great success story in the history of American conservation.

Starting in 1986 with a staff of one person and not a dime in the bank, we have made over 1,300 grants, placing $190 million into on-the-ground conservation activities. We have pioneered dozens of new conservation programs ranging from implementing the North American Waterfowl Management Plan; Partners in Flight for neotropical birds; Bring Back the Natives Program for Forest Service and BLM; Park Service's Boston Harbor Island Initiative; and the establishment of the Conservation Plan for Sterling Forest in New York and New Jersey.

We have underwritten the development of new technologies ranging from GIS gap analysis, the original prototype in Idaho, now the principal species in landscape data source in over 35 states, to a semipermeable membrane device, which has revolutionized water quality monitoring and sampling procedures.

We have eschewed a membership and, thus, have not engaged in advocacy or litigation. We do no direct mail so the Postal Service owes us infinite gratitude, as does your clutter index and your mailbox. And we have maintained a strictly bipartisan orientation in this most partisan, controversial public policy arena.

We were created by a Republican Senate and a Democratic House during the midst of the Reagan Administration. As President Reagan said when he signed our original legislation, if you will let me paraphrase, "I really don't know what to make of this entity. It is not government, yet it is tied to government. It is neither fish nor fowl." But President Reagan signed our legislation because he recognized the fundamental need to build a bridge between the public and private sectors.

We have reached out to all comers, going well beyond our original host and statutorily designated agencies—first, the Fish and Wildlife Service, then Commerce, the National Marine Fisheries Service, and NOAA. We have an ongoing program with the USDA's Forest Service and NRCS, Interior's BLM, Bureau of Rec., OSM, the State Department's AID, and multiple partners in the Defense Department.

As you know, most fish and wildlife migrate across political and bureaucratic boundaries. No single agency manages our wildlife so we work with everyone. Rummaging through our annual list of grants is like turning over a bowl of Campbell's alphabet soup. You name a Federal agency, and we have done business with them. We have projects and have worked in all 50 states, all Canadian provinces, and 17 foreign countries.

We have reached out to involve corporate America in an unprecedented fashion to make them active partners in the business of fish and wildlife. Dow Chemical gave the largest conservation cash gift in history, $3 million for wetlands. Our current partners include Chevrolet, Anheuser Busch, Busch Gardens, Exxon, Phillips Petroleum, Georgia-Pacific, Champion, Bass Pro, Orvis, just to name a few. Exxon has just committed $5 million for the conservation of the tiger, an endangered species.

On April 24, Speaker Gingrich gave a speech on national environmental policy. Looking back over the environmental ground covered by the last three decades, he noted, and I am quoting, "As a management principle, what you want is to find a way of exacting the best possible environment with the widest involvement of people."

Then he elaborated on an emerging new environmentalism. I was glad to see the Speaker acknowledge that, "We have now had a quarter of a century of effort, which I think in values was exactly right, and in goals was overwhelmingly right. But in process and style, it had two major weaknesses. The first," and I am still quoting, "was the instinct in the early 70's to create a centralized bureaucratic litigation model." The second problem he said was, "An adversarial style which assured that only the acolytes and high priests of the environmental movement were pure, and everybody else was inherently evil."

In describing his new environmentalism, the Speaker submitted, "It is first of all committed to strong standards but in a cooperative rather than a confrontational basis, and, second, it is science based." I think the Speaker is surfing for the elusive third wave of the environmental movement, and let me put this in perspective.

The first wave began when Teddy Roosevelt, at the beginning of the century, campaigned to protect resources by establishing national forests, parks, and refuges. The second wave crested with

Rachel Carson's warning on toxic contamination in our environment; ushered in Dennis Hay and the Earth Days of the 70's.

At this point, a Democratic Congress and President Nixon teamed up to push through the National Environmental Policy Act, and the Clean Air, Clean Water, Endangered Species Acts that together provide the regulatory underpinning for today's bureaucratic infrastructure.

What has been missing in this equation for the past 30 years has been the active involvement in the private sector, private landowners, and corporate America. Today, we are witnessing the first pulses of that third wave of our nation's environmental tide. This wave addresses what has been missing, the enthusiastic participation and leadership of the private sector and the assumption by local communities of responsibility for their environment.

The Foundation is out front riding this wave. I think the Foundation is the functional embodiment of what the Speaker is after. One of the difficulties of trying to plot a new operational pathway of cultural organizational behavior is the need for models for guideposts.

But I submit the Foundation is a living, breathing example of what the Speaker is contemplating. We work with all comers. We have been inclusive since day one. We are nonadversarial. The core of our business and a key of our ability to successfully match and leverage Federal funds is through the creation of partnerships—large and small, site specific, or transboundary.

Secondly, all our grants and programs are firmly grounded in or have come to embody the best science available. All our grants were reviewed—peer reviewed at the Federal, State, and private levels, and routinely by the resource industry.

Mr. Chairman, when Congressman Breaux and his successor, Congressman Studds, passed legislation giving birth to the Foundation, I don't think they had an inkling of what their foundling would grow into. But we have metamorphosed into a real, live phoenix that may well be the living characterization of the new environmentalism to which the Speaker referred.

If what he is seeking, and both sides of the aisle have been battered by controversies inherent in environmental issues for decades, I submit the Foundation is an organization worth bipartisan support and nurturing. And being in this hearing room, I note former Congressmen Forsythe and Silvio Conte would certainly agree. Thank you.

[Statement of Mr. Eno may be found at end of hearing.]

Mr. SAXTON. Thank you very much, Mr. Eno. Mr. Peterson, would you like to proceed?

STATEMENT OF R. MAX PETERSON, EXECUTIVE VICE PRESIDENT, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

Mr. PETERSON. Thank you, Mr. Chairman. You have my statement in full. If you will accept it for the record, I will save you some time by briefing it.

As you know, Mr. Chairman, our organization represents the 50 state fish and wildlife agencies in the United States, and we work with similar agencies in Canada and Mexico.

I think the first thing we should recognize is that the Foundation is known for forging a number of very effective partnerships between the public and the private sector to provide a lot of on-the-ground solutions to natural resources problems.

We talk a lot about cooperation. We talk a lot about partnerships between the private, State, and Federal sectors, but we don't see very much action when it comes down to cases. I think the Foundation is one in which you see some on-the-ground partnerships in action.

One of our directors, Willie Molini of Nevada, served a number of years on the board of this Foundation. I might point out he is the same person that is a leader in the West in trying to solve some of the problems between livestock grazing and big game. It is our effort called seeking common ground.

I think Congresswoman Chenoweth and others know about that effort. We found if we get people together on the ground to look at problems and attorneys and others who like to go to court out of the process, and say, "What can we do about this?", solutions emerge that everybody agrees to. So we have very much then been in favor of the kind of things that we have seen the Foundation do over the years.

In looking at the record of what the Foundation has done, there are 1,337 grants that total $190.5 million over the years since it has been in place. Let me spotlight just a few of what I consider the major problems that have been tackled by the Foundation.

One of the first problems tackled by the Foundation was the rapidly declining waterfowl population in the United States in 1985 and '86; working with the states and organizations like Ducks Unlimited and with counterparts in Canada. The key ingredient was putting together funding that we called step one, step two, and step three, which was directed to rehabilitation of wetlands in Canada and in the United States.

And had it not been for that effort, I think we would not have seen the dramatic reversal of the waterfowl numbers that we have seen in states like New Jersey and Maryland, and even in the central valley of Idaho. We have seen a great increrase in the numbers of waterfowl coming to the United States.

That was because of early effort and cooperative ventures between the private, the State and the public sector to really start doing something about understanding what was happening to those waterfowl populations and doing some rehabilitation of key wetlands mainly through joint financing on cooperative effort with farmers.

We now see almost a record number of some species, particularly the duck population in the United States. Unfortunately, the goose population has not come back as fast, but it is on the way. It will take several more years.

The Foundation also provided important leadership, as was mentioned already, to Partners in Flight and neotropical migratory birds. We don't think much about those critters, but unless we do something voluntarily in a nonregulatory way with those critters, we end up finding more and more of them are threatened and endangered.

In most cases, very small, voluntary things can be done by landowners. The Foundation has no regulatory role, and we would not suggest it ever had one. It is purely a voluntary effort to bring people together to do good things.

Now, let me hasten to add that no organization bats 1,000. If you give 1,337 grants, you may give a grant to somebody who ends up doing something you don't like. But you don't control their agenda when you give an organization a grant. You don't control their future agenda.

I have some battle scars from having been sued by some of the organizations that Congresswoman Chenoweth mentioned. And I don't agree with some of the things that they do. They sometimes do some good things too.

One of the hopes in the future is we can reduce the polarization between different groups And one way we can reduce polarization is by getting groups to work together and find out they do have more in common than they have that divides them.

So I think we need to not concentrate on the half a dozen grants that maybe should not have been made or at least nobody knew what they were going to do in the future at the time the grant was made and didn't know they were going to do some things that maybe we didn't like. But I think it would be a great disservice to the important work that has been done by the Foundation to focus on those few cases.

Our organization has been known, for example, to sue the Secretary of Interior, but that doesn't mean we don't work effectively with the Secretary of Interior on other things. In fact, we are assisting in a suit right now against the Secretary of Interior involving Alaska. We are not a litigant, but we are providing assistance because we don't agree with some things that are happening with fisheries there.

In conclusion, Mr. Chairman, we support the reauthorization of the Foundation. We would also support keeping a State fish and wildlife director on the board to be sensitive to what is happening in the states, a tie with the governors and others in the State, to be sure that the Foundation has that kind of tie. But I think in balance, the Foundation has done a splendid job and should be reauthorized and should receive this committee's support. Thank you, Mr. Chairman.

[Statement of Mr. Peterson may be found at end of hearing.]

Mr. SAXTON. I want to thank all of you for your very articulate testimony. As you have observed, Mrs. Chenoweth has stayed with us at my invitation, and thank you for staying. What we are going to do is I am going to ask some questions which have occurred to me, and then we are going to move directly to Mrs. Chenoweth so that she can also pursue answers to the questions that she is interested in.

I have noted that the National Fish and Wildlife Foundation has apparently been involved in providing $168 million worth of funding to a variety of conservation projects. And if I do my simple arithmetic correctly, while noting that almost $48 million of this has come from the Federal Government, that comes out to an average of about $4 million a year from the Federal appropriators, and

that turns into about $14 million a year through money coming from other sources. Do I have that right?

Mr. ENO. Yes, sir. And just recognizing over the 10 years of our existence, the match level has been consistently increasing over time. We started originally with a one-to-one match requirement, which we achieved in our first couple of years. Then we started leveraging our money harder.

For several years, we averaged better than $2 for every Federal dollar, and last year $2.37 for every Federal dollar. This year, I think it is close to $2.50, and we are now approaching a three-to-one match. So on our own initiative, we have been increasing the match and the leverage to stretch Federal dollars; make them go farther; earn more.

Mr. SAXTON. Now, I have had some experience with some organizations that you may be involved with. Are you involved with the Trust for Public Land? Are they one of the benefactors?

Mr. ENO. We have given I think—I would have to double-check with my staff, but I believe about five grants to the Trust for Public Lands. Yes, sir.

Mr. SAXTON. Now, the Trust for Public Land in their activities in New Jersey have been very helpful, and I don't know that they have ever sued anyone. We have been embarked on a program in New Jersey to try to save some land that is particularly important to migratory waterfowl. It used to be known as the Brigantine Wildlife Refuge. It is now known as the Edwin Forsythe Wildlife Refuge.

The Trust for Public Land uses their funds to acquire land, take title to that land in their name, and then convey that land to the Fish and Wildlife Service when the Fish and Wildlife Service has funds available to take title. Now, you contribute to that process, do you?

Mr. ENO. All of our grants are site and project specific, and I would have to look at my New Jersey grants to find out if we did a grant with TPL at Brigantine, for example. We do not give grants generally to organizations. And as with Congresswoman Chenoweth's testimony, we don't give grants to any of the organizations she enumerated which could be used for other activities. They are all site and project specific.

For example, the Pacific Rivers Council grant, which is of concern to her, was given to a specific project—restoring Knowles Creek, which was a very important salmon spawning stream. At the time, it was totally degraded—only 3,000 spawning fish. They rebuilt the structure of the stream with money coming from Hancock Timber and other partners. Three years later, that stream had 60,000 spawning fish.

The lawsuit that they initiated three years subsequent to that grant was funded by the Sierra Club Legal Defense Fund. None of our money was used in the lawsuit. None of our money, since it had already been spent three years previously paying for the bulldozers to move the rocks and rebuild the stream, was pertinent to the subsequent actions. But all of our grants go to projects.

My board is very concerned about on-the-ground conservation, not underwriting organizations per se, no matter how meritorious

they are. We rarely give a grant, whether it is to TPL, TNC, or anybody else, just to underwrite an organization.

Mr. SAXTON. Can you explain the nature of your site-specific grants on a broader basis?

Mr. ENO. Well, Congressman, we now have five grant programs. Education—an example of an education grant would be the new New York City-Manhattan High School for the Environment with an environmental curriculum. We are developing curriculums for State governments on environmental education, which we are doing at the University of Wisconsin; Project Wet, Project Wild, which we do in cooperation with the State fish and game agencies.

Fisheries—for our grants we have made the Pacific Northwest a priority—of which several of the other speakers will address—site-specific grants; restoring streams to bring back salmon. The same thing on the coast of Maine. We have taken out a dam in North Carolina, which opened a river to spawning streams. We bought the Greenland Fishery—the high seas fishery that saves the Federal Government millions of dollars on salmon recovery.

Neotropical birds—a focus has been habitat acquisition. We have done grants in southern New Jersey, for example, on acquiring bird habitat; coming up with better ways to monitor and research birds.

Wetlands tend to be mostly site specific—acquiring wetlands. For the last five years, most of our work on wetlands has been focused on private landowners.

And in endangered species, we have a lot of grants that are specific to species where our focus is now in keeping species off the list. And I can think of three grants that have specifically kept species off the list—California with burrowing owls, ferruginous owls in Texas, and hopefully the Project SHARE with Atlantic salmon in Maine.

Mr. SAXTON. Now, this is my final question because my time has expired. Are you saying that it is unlikely or impossible that any of these moneys could have been funneled through these organizations for other purposes?

Mr. ENO. I would answer it is unlikely, and we have been audited several times, including by the IG—Inspector General of Interior—and we have no evidence—none—that any of these moneys have been used for the purposes that the allegations have made.

Mr. SAXTON. Thank you very much. Mrs. Chenoweth.

Mr. ENO. Such usage would be a violation of our grant contract, excuse me, as well.

Mrs. CHENOWETH. Thank you, Mr. Chairman. I think that I made it pretty clear, Mr. Chairman and Mr. Eno, in my testimony that in the case of the Pacific Rivers Foundation, you simply supplemented funds, but you have given direct funding to the Environmental Defense Fund in the amount of $308,000, Defenders of Wildlife in the amount of $149,000. And these people are not engaged in basketweaving. They are engaged in litigation.

I wanted to say, Mr. Chairman, few people can get my ear like Mr. Peterson can. I really respect the work that he has done and that he continues to do, and I was very pleased to hear his testimony, as well as all of the gentlemen's testimonies.

But I do think that we need to be—probably everyone who issues grants needs to be a little careful upfront as to how that money is

being used because when you have a governor of a State, the entire legislature, and the entire congressional delegation objecting to a project that may be funded by the organization, then it doesn't place the organization in the best light. Admittedly, these are only a small portion of your activities, but it sheds a dark shadow.

I do want to ask Mr. Ashe, according to the Foundation's 1995 annual report, a William Ashe is listed as the Foundation employee assigned to work on special projects. Is he related to you?

Mr. ASHE. He is my father. He is related to me. I would just say if my father has spent 40 plus years in the conservation field, it would be hard for me and my work to avoid crossing tracks with my father from now and then.

And I would also point out that I am not here today to represent my personal views. I am representing the views of the United States Fish and Wildlife Service and the Department of the Interior and not my personal views. And neither do I in my job have any direct control over the Foundation or influence over the Foundation at all.

Mr. PETERSON. Might I say something on that?

Mrs. CHENOWETH. Yes.

Mr. PETERSON. I know Mr. Ashe who retired from the Fish and Wildlife Service after a distinguished career; he has been one of the most cooperative people we have ever worked with. Unfortunately, he had major brain surgery a few years ago which he is recovering from now and is doing a splendid job up in the Northeast working with the Foundation. He is one of the people that I consider one of the heroes of the conservation movement and a very fine cooperator with states and with others.

Mrs. CHENOWETH. I can understand the son not wanting to cross his father because I have fond memories of a father who I just recently lost, and I am so glad you still have yours. I just wanted to establish that for the record.

Mr. Ashe, I also wanted to ask you, Secretary Babbitt appointed a New York investor, a Paul Tudor Jones, II, to the Foundation's board of directors in 1994, and he still serves on the board. In 1990, Mr. Jones pleaded guilty to a misdemeanor in Federal District Court for a violation of the Clean Water Act involving the filling of wetlands on his 3,000 acre Tudor Farms property on Maryland's eastern shore.

Part of Mr. Jones's plea bargaining included $1 million in court-ordered restitution which was channeled through the Foundation. My research indicates that this $1 million in court-ordered restitution made its way to the Conservation Fund of Arlington, Virginia, to purchase Barren Island in Chesapeake Bay and sell it to the U.S. Fish and Wildlife Service for expansion of the Blackwater National Wildlife Refuge.

My question is do you believe it was ethical for Secretary Babbitt to appoint Mr. Jones to the board after he had used his $1 million court-ordered restoration as a donation to the Foundation?

Mr. ASHE. Well, I think Amos wants to respond also, but I will say without—I guess I would prefer to let the Secretary speak for himself in that regard. But Mr. Jones, before he was affiliated with the Foundation, was involved in this infraction and this settlement.

And I think just like sinners are welcome to the temple, I think, you know, that Mr. Jones made a mistake. He made restitution, and he has subsequently become involved and an active partner in conservation. And I think Mr. Jones and Amos and the Foundation should be applauded for their efforts in that regard.

Mr. ENO. May I respond in part because I think I can get to the heart of your question? First of all, Mr. Jones's $1 million was not a contribution of the Foundation. It was a court-settlement fee. That is the first issue.

Mrs. CHENOWETH. That is right. That is part of my question.

Mr. ENO. And it had nothing to do—it wasn't a donation, and it went—the court ordered that money go to acquire and enhance Blackwater Refuge. The Conservation Fund was just a vehicle. The second issue here, and this is a very famous case—it has been in every publication, and many conservatives have used Mr. Jones as an example of overzealous regulations in the Clean Water Act.

And this is a man who operates a banking firm on a 51st floor in New York, and his on-site manager goofed and was nailed. But he is a committed conservationist and is one of the largest supporters of fish and wildlife and, particularly, hunting and fishing conservation projects in the country. So I do not think there is anything unethical—to be wrong here. The man paid his fine and has gone about his business.

Mrs. CHENOWETH. I don't question his dedication to conservation. What I do question is that four years after the $1 million restitution fund, he was appointed to the board. I find that odd. And, you know, it is interesting. This seems strange, and I do hear you, Mr. Chairman. But this seems strange.

In Idaho, the average income is about $19,000 a family, and yet the board awarded $25,000 of an $80,000 grant to a Mr. Weyerhaeuser—Rick Weyerhaeuser, the son of Nancy Weyerhaeuser. You know, it is just real hard for those of us who come from states where people don't make a whole lot of money to understand why taxpayer-contributed dollars go to these kinds of activities and these people could well afford.

Mr. ENO. Well, that kind of activity, for example, was a grant to highlight the community development programs that are going on in Africa that are directly pertinent to rural communities like Idaho and Montana and the West. A lot of South Africans are way ahead of the United States in setting up programs that protect animals but give local communities a piece of the action.

Part of the fees for conservation when hunters go to hunt a given area go to the community. They train the guides. And that grant was given in direct reaction to concerns raised by this committee in hearings two or three years ago, and it was a fundamentally good grant. And there were no Federal funds used. It was all private fundraising.

Mr. SAXTON. Thank you very much. The gentlelady's time has expired. Mr. Gilchrest will be the next questioner. While Mr. Gilchrest is getting ready, I would just follow up on Mrs. Chenoweth's last point. I know of an incidence in New Jersey that is quite similar to this island acquisition.

A chemical company in New Jersey was cited for violation of certain laws, and their restitution was to make a substantial contribu-

tion to the Trust for Public Land for conservation projects around the Barnegat Bay. And, you know, I am glad that these moneys are funneled into productive uses.

Mr. ENO. We are receiving more and more mitigation funds. We have one coming in right now from Pennsylvania involving a pipeline company—Iroquois Pipeline. And the money—we funnel it back into conservation to put it to good use. I think it is a very important purpose and role for the Foundation.

Mr. SAXTON. Thank you. Mr. Gilchrest, it is your turn.

Mr. GILCHREST. Thank you, Mr. Chairman. The Tudor Jones situation on the eastern shore in Dorchester County was to a large extent—I guess at least to some extent—misunderstood by an awful lot of people. It was a very complicated situation. I think Mr. Jones is, for the most part, a very interesting character.

To the extent that he is dedicated to conservation is probably relatively apparent except sometimes he is—especially in the case on the eastern shore, I think some things were done with his not fully understanding what the contract was doing, what the Corps wanted to be done or needed to be done, and what the local community expected from the project.

But I think it was after pulling teeth from a fully conscious rhino with a small pair of pliers that he purchased not at Wal-Mart but at a local store owned by local people, I think Mr. Jones has some recognition of what finally happened.

I think the Tudor Jones situation, the situation with the Wildlife Foundation, Fish and Wildlife Service, and other organizations is that I think we have reached a point in understanding the essential urgency in conservation. But what is amply needed now from all sides is a very positive, aggressive form of communication between all entities that might be involved in a specific situation. That is the Federal Government. That is the Fish and Wildlife Service, Fish and Wildlife Foundation, local governments, local private landowners.

We really need to begin to sit down around the table and discuss situations so that everybody feels that they are fully represented, and that everybody feels that everybody knows what is going on. An awful lot of times people down the street, down the country road have no idea what is happening, and that is the problem with a lot of misrepresentation.

It took me a long time to figure out what was going on on Tudor Farms over there in Dorchester County. And I went and visited the place, and it took me at least four hours to get some sense of what was happening. And that was after the experts were telling me what was happening. I can imagine the people up the road that didn't have that opportunity to figure out what was going on.

I just have a couple of quick questions, and I haven't resolved in my own mind the fact that we do need an awful lot of private sector dollars put into this. And if there is Federal tax dollars spent on this, we have to make sure that it is done as efficiently as possible and is certainly going to benefit those people who are on the ground in the immediate area.

Let us see. If I can get in three quick questions. The situation in Arizona and New Mexico, Malpai, where, Mr. Ashe, you mentioned where the Fish and Wildlife Foundation is involved in a

project that deals with managing the public lands as far as grazing and a number of other activities are concerned.

Could you tell us in what aspect are you involved with the ranchers with the grazing activities? Are they on public lands? Is it managing the public lands for grazing on BLM land? That is a big issue up here in Congress, and we are dealing with a bill right now that has some major consequences.

And what you are doing in those two areas, Arizona and New Mexico, is that related at all to the bill that is going through Congress now? And is there any input you can give to us on how to improve the bill that we are getting ready to vote on?

Mr. ASHE. Well, without commenting on the bill itself, and I am sure Amos can elaborate on this as well, it certainly has relevance to the issue of grazing and public and private land management. The Malpai Group actually is principally focused on private lands—about 100,000. The management strategy covers about 100,000 acres, most of that in private ownership. But it also involves the Bureau of Land Management and one of our small refuges, about a 2,400 acre San Bernardino National Wildlife Refuge.

So we have got all the landowners, private landowners, public land managers together in one process in a cooperative experiment on how to manage land for truly multiple purposes, benefiting wildlife, benefiting sportsmen and big game hunters, and benefiting the extractive users and the grazers who are dependent upon that land themselves.

Mr. GILCHREST. Is that at all pertinent as far as the management of that land to the legislation—the Senate version or the House version?

Mr. ENO. Congressman, if you will let me, I don't think so. It is a model though of how things should be done. Malpai is an organization created by 40 different ranchers in the boot heel of New Mexico and the adjoining area in Arizona. They do have leases on both Forest Service and BLM lands. There is a small refuge in the vicinity.

And it is a very dry, arid area, and they have come to the table cooperatively with both the Federal Government and the State government to work out a consensus for grazing, fire management, and reseeding the grasses of these areas in a rotation so it allows one landowner to shift his cows to another owner's pasture to rest the former pasture and back and forth.

Mr. GILCHREST. Is there a critique or a summary or a report of that?

Mr. ENO. We can provide everything in our files on it. We have a number of reports on the grant which has been a year ongoing. There have been a number of public articles on this. And I would just point out the Foundation really was the first entity that stepped forward to fund this as a prototype for a new way of ranching cooperatively.

Mr. PETERSON. Let me relate this to the bigger effort I mentioned earlier, the seeking common ground effort. Our association has been involved in the effort for about eight years now in trying to bring together ranchers on private and public land. People are concerned about big game particularly where you sometimes get con-

flicts with cattle on winter ranges and that type of thing, to try to work out solutions. It does involve both private and public land.

The Foundation has been sort of an advisor on the effort and have given grants in certain specific locations for projects. But the effort has primarily involved the State fish and wildlife agencies, the U.S. Forest Service, and the Bureau of Land Management and ranchers.

It does relate to the grazing bill that is now pending. I have testified before this committee that I think the bill that came from the Senate is a very bad bill even for the ranchers because it attempts to set up a priority use for ranchers on public land, which is going to create a tremendous backlash in the West because there is a feeling that everybody should have an equal opportunity to use the public land.

I have been a strong advocate for ensuring that ranchers have stability, that they have permits, that they have an opportunity to remain on the ranch and so on. And, unfortunately, the "Cattlefree in '93" type of thing from ardent environmental groups caused a great problem in the west.

But the solution, in my view, is not the proposed legislation. The solution is to get people out there, as you say, communicating and working together. And the statewide groups that have now been formed to look at ranching and grazing have been very much of a help to that effort. The Foundation has been, I would say, an important player in that, but a fairly minor player in terms of helping provide some advice and assistance.

Mr. GILCHREST. Thank you.

Mr. SAXTON. Thank you. The gentleman's time has expired. We are now running a little bit late. Thank you very much. We are going to move on to the next two panels actually in order to facilitate this process. Panels three and four will be combined.

And if I may ask those folks to come forward starting with Mr. Jack Jarck, the Director of Forestry in Forest Resources, Georgia-Pacific Corporation; Mr. Carlton Owen, Director of Timberlands Program, Champion Paper International; Mr. Eugene Kim MacColl, Jr., of VanRosky, MacColl; Mr. Stephen Gast, Onshore Regional Exploration Manager of the Phillips Petroleum Company; Mr. Jim Little, the National Cattlemen's Beef Association; and Mr. Fred Bonner of Garner, North Carolina. Mr. Jarck, you may begin.

STATEMENT OF WALTER JARCK, DIRECTOR OF FORESTRY, FOREST RESOURCES, GEORGIA-PACIFIC CORPORATION

Mr. JARCK. Thank you. Mr. Chairman, my name is Walter Jarck. I am the Director of Forestry for Georgia-Pacific Corporation in Atlanta, Georgia. Georgia-Pacific is a Fortune 100 forest products company with an ownership of almost 6 million acres of managed forest lands.

I appreciate the chance to speak with you on behalf of the Fish and Wildlife Foundation. The Foundation is an important ally and asset to Georgia-Pacific as we grapple with the challenging natural resource issues.

At the risk of oversimplifying a complex situation, Mr. Chairman, I would like to say that our partnerships with the Foundation represent conservation the way it should be done; that is, conservation

without regulation, without the taking of private land, and without the heavy hand of government.

Instead, conservation based on voluntary participation where the partners come to the table to identify mutual, agreeable solutions that benefit natural resources while also protecting our economic interests. I submit that the National Fish and Wildlife Foundation provides a model for the way the government can, and should, interact with the private sector to conserve our nation's natural resources.

Georgia-Pacific is a partner with the Foundation on many conservation projects, but I would like to highlight two in particular. The first involves a development of a Habitat Conservation Plan—we call it an HCP—in Wisconsin for the federally endangered Karner blue butterfly. The second involves conservation of the Atlantic salmon and its habitat in Maine.

These two very different projects epitomize the kind of natural resource challenges, we as a corporation, face. These projects also illustrate the power of cooperative solutions forged by decisionmaking at the local levels.

In both projects, we actively pursued participation with the National Fish and Wildlife Foundation. We did this for these reasons: First, the Foundation has matched our funds and those of the forest products companies for research, monitoring, and management activities that were critical to the success of these conservation projects.

In Wisconsin, on the Karner blue butterfly HCP, the Foundation provided $33,500 in matching funds to the $67,000 in private funds contributed by Georgia-Pacific and eight other forest products companies.

Even more importantly, the very promise of matching funds from the Foundation enabled us to secure participation and funding from smaller companies that would in other situations not have contributed to this project.

Second, the Foundation serves as a credible and unbiased third party to help manage projects associated with conservation programs. Third, the Foundation acts as an effective liaison between the forest products company, the Federal and State agencies, universities, private conservation and environmental groups with whom we have to work on in making this HCP.

Finally, we invited participation by the Foundation because they are skilled natural resource professionals who seek innovative solutions to natural resource challenges. Now, it would be very easy for Georgia-Pacific to simply sell the land in which the endangered species are found and walk away. In some cases, we have done this. We just relieved ourselves of that responsibility in the past.

However, in a vast majority of cases, Georgia-Pacific does not see this as a viable solution for the future. Our preference is to use our expertise and that of our partners to develop solutions that conserve natural resources but also maintain or enhance the economic values of our lands.

We do not feel that natural resource conservation and economic return are mutually exclusive goals. We do feel that traditional approaches and mind-sets to conservation—those that emphasize confrontation and litigation—have created this artificial dichotomy.

Too often, the business and conservation communities meet for the first time in the courtroom with battlelines drawn to fight an expensive legal battle that could be avoided. We would prefer that our financial resources go on on-the-ground conservation rather than in legal fees. Given the opportunity, Georgia-Pacific will do this. The National Fish and Wildlife Foundation helps create those opportunities for us.

We sought the partnership with the Foundation because it shares our desire for innovative, tradition-breaking solutions, as in this case with the statewide HCP which involved all the landowners. As it turns out, the forest products industry has the potential to contribute to conservation of the Karner blue butterfly in a very meaningful way and also complements our primary function which, of course, is harvesting timber.

I was going to spend some time talking about the main project with the Project SHARE, which is the Salmon Habitat And River Enhancement. I understand my colleague here, Mr. Owen, is going to talk about that so I will defer to him.

Over the past several years, Mr. Chairman, we have worked with the Foundation on eight separate conservation projects ranging from the Louisiana black bear conservation to environmental education at the Atlanta Zoo. We have passed through more than $125,000 to the Foundation for conservation projects around the country. This is certainly a case of putting our money where our mouth is in terms of support for the National Fish and Wildlife Foundation.

Georgia-Pacific works with the Foundation because they make good things happen. They share Georgia-Pacific's proactive approach to conservation. They share Georgia-Pacific's quest for market-driven incentives for conservation. They share Georgia-Pacific's commitment to conservation that is compatible with an integral part of our nation's economy. So it is with great pleasure, Mr. Chairman, that we speak in support of the National Fish and Wildlife Foundation. Thank you.

[Statement of Mr. Jarck may be found at end of hearing.]

Mr. SAXTON. Thank you, Mr. Jarck. I would also like to just thank your organization, as well as the International Association of Fish and Wildlife Agencies, for the great cooperative role you have played with some of us in trying to fashion an Endangered Species Act reauthorization bill. Your organizations have been most helpful. Mr. Owen, if you would like to proceed at this time? We are anxious to hear from you.

STATEMENT OF CARLTON OWEN, DIRECTOR, TIMBERLANDS PROGRAM, CHAMPION PAPER INTERNATIONAL

Mr. OWEN. Thank you, Mr. Chairman, and members of the Subcommittee. We too appreciate the opportunity to speak about the National Fish and Wildlife Foundation. I am Carlton Owen, and I am Director of Wildlife and Resource Issues with Champion International Corporation. We too are a major manufacturer of pulp, paper, and forest products and also one of the largest private forest landowners in the nation. We own about 5.3 million acres in 17 states.

Today, I would like to just share three examples of activities where we are cooperating with the Foundation and three very different types of opportunities. The first is research. Research is critical to making better resource management decisions for the future.

The Foundation is partnering with us in the State of Tennessee to determine new survey methodologies to allow private forest landowners to better protect critical aquatic resources. The results of these studies will not only be applicable upon Champion land, but upon the lands of other private landowners and enlist them in the conservation arena.

In the area of education, we have been joined by the Foundation on a project in the State of Alabama where we have sought to provide common sense, user friendly information directly to those who need it most—loggers and private foresters working on private lands. And you have just been handed the publication that was a result of that project.

That full-color, shirt-pocket-sized guide does more than just provide some pretty pictures about endangered species. It brings loggers and foresters into the conservation of those species by removing fear, showing them what species they need to be addressing, and providing the forestry considerations that they need to know about to do their job.

In a conservation-cooperation arena in an ideal world, sufficient incentives would be in place for private landowners to actively be participants in species conservation. Unfortunately, because of the way the Endangered Species Act has been implemented, the threat of an endangered species being found on private property evokes visions of horror by most private citizens.

We, like many others, including the Foundation, are seeking new ways to approach protection and management of those species on private land. We would like to bring to your attention Project SHARE, as mentioned by Mr. Jarck, in the State of Maine.

Project SHARE was formed by Champion, Georgia-Pacific, and Baskahegan Company nearly two years ago to address salmon habitat conservation in Downeast Maine. Our goal was not to form a coalition to oppose listing of a species, but rather to form a coalition to address voluntary habitat restoration.

Our belief was simple; if we could support the State and Federal agencies that have responsibility for protection of the species and show alternatives to the normal regulatory approaches that follow species listing, then the responsible agencies would have more options to develop flexible, constructive, and potentially beneficial plans for recovery.

Today, Project SHARE boasts a list of more than two dozen cooperators, including State and Federal agencies, universities, sportsmen's groups, local businesses, blueberry growers, and the aquaculture industry. As a result of what we believe is one of the models of conservation in the country, the Federal agencies have now recommended a course of action that could substantially limit regulatory burdens while strengthening the potential for focus on the wildlife resource itself. We have also provided you with a document about our experiences with endangered species, and the back panel highlights our activities around Project SHARE.

While the National Fish and Wildlife Foundation is far broader than these three specific examples we bring to your attention today, we believe that each are examples of the type of activities that engendered conservation's success in this country.

First, the Foundation is leveraging funds and encouraging research that will help develop a platform of peer reviewed, sound science to aid in management of the nation's natural resources. Secondly, the Foundation's staff and board have recognized that enlisting everyone in the protection of the nation's natural resources is critical to success. Education and information materials such as those that we have jointly developed for loggers are serving to enlist others for conservation.

And, finally, our experience with Project SHARE supported in large part by the Foundation stands as a shining example of the potential to build bridges for conservation; to take an inclusive approach to species recovery; and to explore new and more productive ways to address endangered species protection. The Foundation is an invaluable resource for us in promoting the role of the private sector in conservation.

While the Foundation's funds are critical in leveraging additional financial resources for projects like those we have described, there is another and perhaps even more important benefit. The National Fish and Wildlife Foundation provides credibility and creativity that brings private corporations, not-for-profit conservation interests, and government agencies together for the good of conservation. Our experience suggests that the Foundation is achieving important results that will prove increasingly important to the cause of resource conservation. Thank you, Mr. Chairman.

[Statement of Mr. Owen may be found at end of hearing.]

Mr. SAXTON. Thank you very much, Mr. Owen. Mr. MacColl.

STATEMENT OF EUGENE KIM MACCOLL, JR., VICE PRESIDENT, OREGON WILDLIFE HERITAGE FOUNDATION

Mr. MACCOLL. Thank you very much. I am Kim MacColl. I am the Vice President of the Oregon Wildlife Heritage Foundation. We are a private 501[c][3] foundation based in Portland. We are a volunteer organization. We are made up of business leaders, professionals, ranchers, private citizens. I am here today as a private citizen. I would like, of course, to thank you, Mr. Chairman, and the Subcommittee for this opportunity to speak with you this morning.

Mr. SAXTON. Mr. MacColl, could you repeat the name of the organization that your firm represents?

Mr. MACCOLL. Yes. By the way, I am an attorney, and our firm—I am not here representing anybody. I am here as the Vice President of the Oregon Wildlife Heritage Foundation.

Mr. SAXTON. Thank you.

Mr. MACCOLL. Over the past three years, I have become well acquainted with the National Fish and Wildlife Foundation because during this time period, our foundation has received two grants of $100,000 each for salmon habitat restoration in the north and midcoast regions of Oregon. Our goal is to stop the decline of salmon runs in both Oregon and the Pacific Northwest.

These two grants from the National Fish and Wildlife Foundation have allowed us to go to private landowners, timber compa-

nies, various State agencies, and other local foundations for the purpose of forging a partnership. This partnership has raised over $300,000 in local funds as part of the required two-for-one match of any National Fish and Wildlife Foundation grant.

We have hired biologists to work with the private landowners and the timber companies to finalize all restoration plans. Also, during the summer of 1995, approximately 25 significant habitat restoration projects were completed as part of the North Coast Habitat Restoration Project.

During the summer of 1996, it is estimated that another 30 sites will be restored in the north coast region, while habitat restoration efforts will commence on another 40 to 50 sites in the midcoast region of which, I might point out, Georgia-Pacific is an active participant.

Needless to say, this was and still is a major undertaking. But to be quite candid, most of this effort probably never would have happened had it not been for the National Fish and Wildlife Foundation. No other organization was willing to step up and create the kind of major support that we needed in order to convince the——

Mr. SAXTON. Would you just stop there for just a minute, you made a very pointed statement there saying that this probably would have never happened without the Fish and Wildlife Foundation. Tell us why.

Mr. MACCOLL. About three years ago, we were trying to find a way in Oregon to do something for the declining salmon, trout, and steelhead runs. We are in constant contact with the Oregon Department of Fish and Wildlife, and they kept saying, "We have to do something about habitat. If we don't improve the habitat, we are not going to improve the fishing situation."

So we started looking around and talking to various State agencies, local foundations to try and find a way to raise money to put a project together that would do this because the Oregon Department of Fish and Wildlife, with a limited budget, kept saying, "We can't afford the biologists that you need to do the restoration plans. We don't have the manpower to do this. You have to go find money, and then we can get the biologists to put the plans together, to then go to the private landowners, the farmers, the ranchers, the timber companies." And we said OK.

So we talked to the Audubon Society. We talked to the Nature Conservancy. We had a lot of informal discussions. The most we could get a commitment for was something in the neighborhood of 5 to 10 to $15,000. Well, that just wasn't going to do it.

I was acquainted with the National Fish and Wildlife Foundation, and I made some phone calls. I had a meeting when Amos Eno came through Portland. He said, "Kim, this sounds like a great program, and we would probably be interested." And the numbers we were talking about were six figure numbers.

When we went back to the Oregon Department of Fish and Wildlife, they said, "Those are the kind of numbers we have got to have to do this because it is a multiyear thing. You don't go in and restore habitat in one year and then turn it off because the salmon situation is a four to six year timeframe. The steelhead situation is a three to five year timeframe. You have got to do the habitat.

Then you have got to watch through the whole life cycle of the fish."

So, in a nutshell, that is why we did what we did, and we are in the process now—we are in the middle of the north coast project. We are about to start—I am sorry. We are in the middle of the north coast, and we are about to start the midcoast.

I will try and shorten my remarks. You have heard about the leveraging aspect. What you are hearing a lot about is 1 to 2, 1 to 2.7, 1 to 3. What about all the in-kind contributions that these companies and individuals are making that never show up on the bottom line?

We have timber companies in the State of Oregon putting thousands and thousands of dollars into habitat restoration, and we are not getting credit for it with the National Fish and Wildlife Foundation. We are getting credit for maybe about five percent of it.

What about all the volunteer hours that people are putting in just in the State of Oregon in terms of the Oregon Wildlife Heritage Foundation and some of our other citizen groups that are working on this? I am here today two days out of my law practice. I am not getting paid for this. I am not getting a write-off. IRS isn't going to, you know, get any more or any less from me because I am here today.

It is the volunteers that are out there. Above and beyond the $168 million that you hear about, how about the hundreds of millions of dollars from all the volunteers that are out there trying to help our conservation effort in this country today?

Moving on, it is an incredibly flexible program. It is user friendly. I haven't encountered any red tape or bureaucracy in the last three years. I could sit here and tell you about stories from the biologists in the State of Oregon who are trying to work with Jobs in the Woods programs and whatnot that get bogged down in red tape. The money gets held up. We have got our money. It is coming through. We are doing these projects.

You have heard about public-private partnerships. I am not going to say any more about that. We are a spitting example of the very essence of a public-private partnership, and we are certainly not, as we also heard this morning, a radical environmental group out there. We are working with these corporations and with the private landowners. We are not involved in litigation. We are not involved in fighting. According to Congressman Gilchrest, we are the positive, aggressive communicators that are trying to pull all this together.

Lastly, I am just going to conclude by saying that the National Fish and Wildlife Foundation provides a vision for the future of conservation in America, which, in our view, encompasses healthy habitat, abundant fish runs, enhanced angling and hunting opportunities, public and private partnerships, and also economic opportunities for those areas in Oregon and the Northwest that have been hardest hit by reduced timber harvesting and poor fisheries.

If we can rebuild the poor fisheries, then we can rebuild some of the economies in some of these areas that have been so hard hit. I would like to see the National Fish and Wildlife Foundation expanded. We are talking about the future of conservation in America, and I think it provides the framework to do that. Thank you.

[Statement of Mr. MacColl may be found at end of hearing.]

Mr. SAXTON. Mr. MacColl, thank you very much. Mr. Gast.

STATEMENT OF STEPHEN E. GAST, ONSHORE REGIONAL EXPLORATION MANAGER, PHILLIPS PETROLEUM COMPANY

Mr. GAST. Thank you, Mr. Chairman.

Mr. SAXTON. I interrupted and I won't do that again, and that is why I let Mr. MacColl go on. But please try to be mindful of those lights. I know you can't miss them. Thank you.

Mr. GAST. Thank you, Mr. Chairman, and members of the Subcommittee. We are all concerned about effective utilization of limited public funds, and we are also concerned about our environment. The National Fish and Wildlife Foundation is successful in addressing both of these at the same time.

I am Steve Gast. I am an Exploration Manager for the Eastern U.S. Onshore Region for Phillips Petroleum Company. I am based in Houston, Texas. At the same time, I am also Vice President for the Houston Audubon Society Chapter, one of the largest in the U.S., and a member of the National Audubon Society for 29 years now. My primary responsibilities with Phillips are evaluating and recommending oil and gas prospects and overseeing the exploration activities over those.

Phillips is an integrated petroleum company engaged in exploration and production, chemicals distribution and production worldwide, and in the U.S., we are involved in the natural gas business in a large way, and also in refining, marketing, and transportation of petroleum products.

Phillips was founded in 1917 and is headquartered in Bartlesville, Oklahoma, with employees numbering around 17,400. I am pleased to represent Phillips Petroleum before this Subcommittee this morning and to share with you how my company and the Foundation are working together in partnership.

Moreover, I am Phillips' representative directly to one of the many programs we are involved in. This is the Gulf Coast Bird Observatory. This is a partnership that is working to protect habitat for migratory songbirds. When the concept of the Gulf Coast Bird Observatory was conceived in 1992, its primary mission was to enhance and protect habitat for migratory birds along the Chenier Plain, as well as to conduct research and educational outreach on these birds.

The Chenier Plain is a narrow strip of land along the southeast on the coast of Texas and the southwest coast of Louisiana, and it is one of the most important ecosystems for a wide variety of North America's migrating birds.

Now, that work is well underway along the Chenier Plain, the observatory is broadening its mission. The partnership is aggressively working to identify, protect, and enhance habitat for all birdlife along the entire Gulf Coast, from Florida to Mexico.

And although the bird observatory is just one of many projects in which Phillips Petroleum Company is cooperating with the Foundation, it exemplifies three very important contributions that the Foundation is making to wildlife conservation.

First, it represents how public funds can be leveraged to create greater financial support for a project and to build larger, more ef-

fective partnerships. Since 1992, the Foundation has contributed over $150,000 to the observatory effort. In matching, the partnership has raised more than $750,000 over the same period.

That means for every dollar of public money contributed by the Foundation, the partnerships has been able to raise almost $5 from other sources. And, moreover, this does not include in-kind donations of manpower and donated time by volunteers. And even more significantly, this does not include a 155-acre donation made by Amoco, one of our partners, which was valued at over $700,000.

If the value of this is included, this one project, the partnership raised in excess of $9 for every dollar of public funds from the Foundation. Now, this level of matching does not reflect in the Foundation's records, but this is the reality of the success of these programs.

The Foundation brings credibility to these projects. Donors are often much more likely to contribute to a program when they learn it has the support of the Foundation. That is one of the main reasons we have been successful in raising funds for our programs.

Second, the National Fish and Wildlife Foundation represents the benefits of working in partnership. The Foundation is the catalyst that brings together diverse organizations to solve common problems. The observatory is a good example. This partnership, I think, is a very unique alliance in that it involves three State and Federal agencies two nonprofit conservation organizations and two petroleum companies all seeking a common goal.

On issues outside the partnership, certainly we are going to have differing opinions sometimes. However, within the partnership, we are all committed to the common objectives of preserving habitat for migratory birds on the Gulf Coast. And the mutual trust and understanding that this builds cannot be overvalued.

Finally, the National Fish and Wildlife Foundation represents the human dimension of partnerships. The Foundation does far more than write a check. People like Amos, Peter Stangle, Whitney Tilt, Krishna Roy, all the others at the Foundation, offer much more than money to a partnership. They bring the heart and soul and the commitment that it takes to build effective partnerships, and Phillips has really enjoyed working with the staff.

We found them to be responsive and efficient, not bureaucratic and full of red tape. We found them to be good stewards of the environment and good stewards of the funds that have been entrusted to them.

Phillips is proud to be a partner of the Foundation. Our company has been able to participate in many important projects as a result of this. I have only talked to you about one. If you would please accept the detailed written submittal to the record, you will find a number of projects that are detailed that I am not able to speak on today.

But I do thank you for the opportunity to speak about Phillips' work with the Foundation, and I assure you that Phillips supports the work of the National Fish and Wildlife Foundation. And we trust that you will continue to do the same. Thank you.

[Statement of Mr. Gast may be found at end of hearing.]

Mr. SAXTON. Mr. Gast, if you would like to provide those materials that you mentioned to us, we will certainly make them part

of the record. And I thank you for your testimony. Mr. Little, I understand that you are a resident of the district which is represented by Mrs. Chenoweth.

Mr. LITTLE. That is correct.

Mr. SAXTON. And I would like to offer her the opportunity to say a few words at this time.

Mrs. CHENOWETH. Thank you, Mr. Chairman. I am just very pleased that Mr. Little is here to offer his testimony. He is an outstanding leader in natural resource issues in Idaho, and he is about a fifth-generation Idahoan; comes with a deep understanding of our State and the issues that we are dealing with. And I just appreciate him taking his time to be here with us today.

Mr. SAXTON. Thank you. Mr. Little.

STATEMENT OF JIM LITTLE, NATIONAL CATTLEMEN'S BEEF ASSOCIATION

Mr. LITTLE. As was said, my name is Jim Little, and I raise cattle in Emmett, Idaho. I am Chairman of the National Cattlemen's Beef Association Private Property Rights and Environmental Management Committee. I am here to testify on behalf of the National Cattlemen's Beef Association, as well as on behalf of the Oregon Cattlemen and the Idaho Cattle Association.

More specifically, my comments today represent the concerns and interests of 230,000 American cattle raisers who are struggling to maintain their livelihood despite economic uncertainty and amidst a constant battering of an environmental community that often fails to recognize the contributions our industry makes toward protecting the environment.

During the past year, the Oregon Cattlemen's Association and the Idaho Cattle Association have taken a keen interest in the activities of the National Fish and Wildlife Foundation after discovering that the federally funded Foundation provides grants to environmental groups who, in turn, initiate legal action against cattle producers and other resource users.

Of utmost concern was a series of grants totaling $143,500 given to the Pacific Rivers Council in Oregon by the Foundation. The Pacific Rivers Council was subsequently named a plaintiff in a lawsuit in 1994 which forced the U.S. Forest Service to remove cattle from permitted lands on the Wallowa/Whitman/Umatilla National Forest. Some of our members living in these counties are responsible for paying a portion of the attorney fees for legal representation in defense of the Pacific Rivers Council suit.

We first became aware of this activity when we learned that General Motors had given a grant to the Foundation, and we subsequently investigated the use of Foundation moneys. The Oregon Cattlemen's Association contacted the Foundation in order to convey our concerns that their funding to this and other groups was enabling lawsuits and lobbying that was not only damaging to us, but to other resource users as well.

Records provided to the Oregon Cattlemen's Association by the Foundation clearly verified that the Foundation does indeed financially support environmental groups that tend to become involved in litigation. We are not alone in our concerns.

Last July, the Committee on Appropriations noted their concerns that the Foundation was becoming greatly politicized. The report language states, "The committee is concerned about certain grants that have been made by the National Fish and Wildlife Foundation to organizations known to be hostile to the interests of private landowners and those engaged in the productive and lawful use of public lands." This evidence of a federally funded organization's willingness to participate in political advocacy is alarming.

When the Oregon Cattlemen's Association met with the Foundation in January of 1995, it was agreed that they needed policy change in awarding grants. They outlined changes for us, which included oversight privileges to any cattlemen's group, and as far as we know, they went forward with that implementation.

Initially, we did receive some grant proposals, reviewed and revised them, and provided input which appeared to cut or freeze funds going to Oregon for questionable projects. However, with the exception of grant proposals we received from the Foundation during the past week, we have not been included in the grant review process during the last nine months. That raises some concerns about the activities of the Foundation during this time period.

Furthermore, while seeking clarification of the proposals sent to us this past week, we learned that these projects had already been approved. It seems as if their willingness to openly communicate faltered for a while, then resumed just before this hearing.

Many programs already exist which promote active environmental protection and are of little or no cost to the taxpayer. The National Cattlemen's Beef Association and our member organizations are proud of the proactive programs we have implemented to provide protection and improvement of the natural environment.

The NCBA Environmental Stewardship Award Program honors ranchers who successfully produce livestock while simultaneously protecting and enhancing the integrity of wildlife habitat and watersheds on public as well as private lands.

The Oregon Cattlemen's Association is proud of its WEST program, which provides education for and by its own members with the assistance of Oregon State University, enabling cattlemen to learn about successful ecological management that includes man and livestock as mutual components of ecological systems.

We are encouraged that the BLM and the U.S. Forest Service recently adopted a cooperative program for assessing proper functioning conditions for riparian areas that allows stockmen to actively participate in riparian area management and acknowledges livestock grazing as a common and acceptable use of these areas.

We believe in applying the principles of individual rights and responsibilities to the conservation of our natural resources because if policy is bad for people, it is bad for the environment. We believe that environmental improvements will only be achieved by those closest to the land and that ownership establishes the best incentive for resource protection. We believe that a healthy environment provides the foundation for healthy economies.

Although the original intent of the Foundation was possibly good, it has evolved into a superfluous instrument of a regulatory government agency whose objectives seem diametrically opposed to our

25-646 0 - 96 - 2

own. We urge this committee to recommend the defunding of the National Fish and Wildlife Foundation. Thank you, Mr. Chairman.

Mr. SAXTON. Thank you very much. We just heard the buzzers. We are going to have a couple of votes here, but, Mr. Bonner, if you would proceed at this time, we will certainly get your testimony in. Thank you.

STATEMENT OF FRED BONNER, GARNER, NORTH CAROLINA

Mr. BONNER. Thank you, Mr. Chairman. My name is Fred Bonner. I am from Raleigh, North Carolina, and I am here at the request of Representative Walter Jones, who is a member of this committee.

I am a wildlife biologist, freelance writer, and editor of a hunting and fishing magazine in Raleigh, North Carolina. But I am here representing an organization called Citizens Rights Over Wolves Now or CROWN.

And my reason for being here is to question the use of Federal tax moneys on the part of the National Fish and Wildlife Foundation to support the red wolf program in eastern North Carolina. The use of our tax moneys to support such an unpopular program illustrates how the U.S. Fish and Wildlife Service launders money through the National Fish and Wildlife Foundation to lobby themselves and the American public. The use of our money to advocate such an unpopular program is wrong.

Our elected officials in North Carolina are strongly opposed to the red wolf program. This is clearly indicated by the bill introduced by Senators Jesse Helms and Lauch Faircloth last year. The bill would have defunded the red wolf program. It was narrowly defeated by two votes, but it serves to illustrate just how unpopular the red wolf program is and how the National Fish and Wildlife Foundation is using our tax dollars to support unwanted programs.

Our North Carolina General Assembly has enacted a law which would allow landowners who reasonably believe that the wolves are killing their livestock or threatening them to kill these wolves or trap them. I will explain more on this in a few minutes. This is going to come up, we predict, in the Supreme Court as a State's-over-Federal rights issue.

This Fish and Wildlife Foundation has thus far given some $75,000 to this red wolf program in North Carolina, and this money could have very well been used by the North Carolina Wildlife Resources Commission for some more worthwhile projects.

Several years ago when the first planeload of these red wolves came into Raleigh-Durham International Airport, I was the only press person that came out to meet these wolves. I was 100 percent in favor of this project. I thought it was the greatest thing since sliced bread, and I have since done about a 180-degree turn on this matter.

As I learned more about it and the fact that these wolves are not indeed wolves at all but hybrid coyotes and that they are being put into an area in eastern North Carolina where they never did roam in the first place, I turned against this program.

There are other reasons for this too. The North Carolina Wildlife Resources Commission is very concerned about the introduction of red wolves in our State because of numerous things. Primarily,

they were concerned because they felt the wolves would leave the National Wildlife Refuges where the Fish and Wildlife Service was releasing them.

The Commission felt that when the wolves left the Alligator River National Wildlife Refuge, they would soon range up through the Roanoke River delta and into the wild turkey population that we are working very hard to restore there. And I think most everyone knows that coyotes and red wolves—I wonder who can tell the difference—are not very compatible with wild turkey populations.

Because of these concerns, the Fish and Wildlife Service agreed to classify the new red wolves as experimental and nonessential in a five-county area that was in close proximity to the Alligator River National Wildlife Refuge. They also made a verbal agreement, and, unfortunately, this was not in writing, with the Wildlife Commission to the effect that if the red wolves wandered off the refuge where they had been introduced, they could be shot on sight as vermin. Coyotes are legal to be killed in North Carolina at anytime, anywhere. They are considered vermin.

And, frankly, you can't tell the difference. Even the biologists with the U.S. Fish and Wildlife Service that work with the red wolves in North Carolina can't tell the difference unless they get their hands on them. So how are our hunters expected to know the difference?

I have asked the U.S. Attorney's Office in Raleigh, North Carolina, to tell us how the hunters are supposed to know. The only answer they will give me, "We will handle each case on an individual basis." And, frankly, this scares the hell out of our hunters in North Carolina.

The U.S. Fish and Wildlife Service stated numerous times, and they put this in writing, that if a red wolf was accidentally killed incidental to a legal activity, then the person who had taken the animal was not to be charged with any crime. That doesn't work.

A fellow by the name of James Johnson in eastern North Carolina accidentally killed a red wolf. He thought it was a coyote. The biologist in charge with the Fish and Wildlife Service went down, took a look at it, said, "Yes, it is a red wolf. You have done nothing wrong, Mr. Johnson."

A few weeks later, the Fish and Wildlife Service game wardens came around and tried to indict Mr. Johnson for this. Luckily, the U.S. Attorney refused to prosecute it because Johnson was told in writing and verbally that he had done nothing wrong. This was not because the Fish and Wildlife Service enforcement officers didn't try.

The law that passed in North Carolina outlawing essentially the red wolf was done over the objections of the U.S. Fish and Wildlife Service. Jim Pulliam, who was the Regional Director in Atlanta, came up and did his best to convince the House Agriculture Committee that they should not pass any law that would allow citizens in these affected counties to kill the red wolves.

He levied a very thinly veiled threat at our legislators that if they passed such a law, then the Federal funding under Pittman-Robertson moneys would be cut off to the State of North Carolina. This didn't go over too well with our State legislators in North Carolina. As a matter of fact, one of the legislators made the state-

ment to Mr. Pulliam, "You can take your Federal moneys and stick them where the sun doesn't shine, Mr. Pulliam."

Some of the farms that have agreed to let the wolves roam on their lands have backed out of these programs in there. And, incidentally, I hear the word Weyerhaeuser come up in these hearings right much. It is notable that Weyerhaeuser, which is a large landowner in eastern North Carolina, has refused to let the wolves go onto their land.

A recent article in the "Scientific American" magazine points out very clearly that these are not wolves at all.

Mr. SAXTON. Mr. Bonner, I hate to do this, but we are going to have to go and vote, and we have a markup right after this. So I am going to have to ask you to conclude here in the next few seconds if you would please.

Mr. BONNER. All right, sir. There are currently four counties in eastern North Carolina who have requested that they be added to this list, and they are currently under State law. In North Carolina, it is legal to kill these wolves. The Federal Government tells us, no, it is not.

This is a project that is being funded by the National Fish and Wildlife Foundation. If they are saying that they use good science, I suggest they take a look at the genetics of the red wolf and where this animal once did roam because they did not roam in eastern North Carolina.

[Statement of Mr. Bonner may be found at end of hearing.]

Mr. SAXTON. Thank you very much, and I hope you understand our situation here. Mrs. Chenoweth would like to take one minute to——

Mrs. CHENOWETH. Thank you, Mr. Chairman. I just wanted to add one statement, and that was that this member did not say ever that the National Fish and Wildlife Foundation was a radical, environmental organization as was stated by Mr. MacColl. This member does not take kindly to having the testimony mischaracterized. And I do think that the Foundation does many good things.

However, I think that it is incredibly important that those of you who help fund this organization see where the problems are. It is as difficult for us to bring them out as it is for you to hear them. But I ask for your cooperation so that we can see the best of this Foundation move forward.

And the partnership that you spoke about in your testimonies were impressive, and this is the route that we would like to see it go and continue. But I think that it is our obligation to bring these problems forward.

And, furthermore, I do want to say with regards to Max Peterson's comment about the rangeland bill, Mr. Little, cattlemen who graze on the public lands are the only land user who pay an enormous fee to use the public land. Isn't that correct?

Mr. LITTLE. That is correct.

Mrs. CHENOWETH. All other users don't have to pay. Right?

Mr. LITTLE. That is correct.

Mrs. CHENOWETH. Right. Thank you.

Mr. SAXTON. Thank you, Mrs. Chenoweth, and I would just like to say to all of you thank you very much. We collectively appreciate the roles that you are playing as individuals, as well as your firms

in partnering with the Fish and Wildlife Foundation. This is an extremely important set of activities that you are involved in.

And while questions are raised from time to time about some activities of some of the associates of the larger organization, we overall greatly appreciate what you are doing. Thank you very much. Sorry we have to leave you. I would love to be able to chat with you. We will be submitting some questions in writing for you to answer, and thank you all very much for being here.

[Whereupon, at 10:50 a.m., the Subcommittee was adjourned; and the following was submitted for the record:]

STATEMENT OF DAN ASHE, ASSISTANT DIRECTOR FOR EXTERNAL AFFAIRS, UNITED STATES FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS OF THE HOUSE RESOURCES COMMITTEE, OVERSIGHT HEARING ON THE OPERATION OF THE NATIONAL FISH AND WILDLIFE FOUNDATION

May 16, 1996

Mr. Chairman, I appreciate this opportunity to present our views on the effectiveness of the National Fish and Wildlife Foundation.

In a nutshell, the Foundation is doing an outstanding job.

It has pioneered the concept of public-private partnerships for conservation, a common-sense approach that is now recognized as, far-and-away, the most effective and cost-efficient means of managing and enhancing our fish and wildlife resources. By bringing its expertise, the flexibility it enjoys as a private entity, and its fund-raising abilities to the table, the Foundation has the tools and credibility to foster partnerships in a wide variety of circumstances, including those where the participants might be skeptical of, or even hostile towards, such an effort by a governmental agency.

Some examples of this include:

- The Malpai Borderlands Group demonstrates how to manage rangelands in this area of Arizona and New Mexico for cattle, hunting and biological diversity. This effort is led by ranchers;

- cooperative demonstration projects in Wyoming and Utah bring together landowners, big game and livestock interests, and Federal and State land managers to develop multiple use land management strategies; and

- grants to the TREE Foundation in Maine are bringing together the major timber companies and conservation groups in a voluntary effort to protect wildlife resources on the privately-owned lands in northern Maine.

The Foundation is also able to provide financial assistance to the Fish and Wildlife Service for a variety of projects for which we, for various reasons, are unable to allocate appropriated funds. As explained in Mr. Eno's testimony, the Foundation's ability to attract $2.60 for every dollar in direct appropriations means that appropriations to the Foundation are a conservation bargain.

Some of this assistance is small, aimed at very narrow needs, while in other cases it has been very large. Examples include:

- $15,000 from the Foundation and outside sources to support a census and study of interaction between walrus and both hunters and tourists in Alaska;

- o $9,572,2000 raised from outside sources to assist the Service with land acquisition along the Mississippi River floodplain in the aftermath of the 1993 floods;

along with numerous grants to aid in the recovery of the grizzly bear, black-footed ferret, whooping crane and other species.

The Foundation is also matching a generous private donation towards construction of a state-of-the-art environmental education center at the John Heinz National Wildlife Refuge in Philadelphia. In the current budget climate, this simply would not have happened without the Foundation.

The Foundation is also able to provide funds for non-Federal projects directly related to Service activities, including nearly $3 million for Natural Communities Conservation Program plans in Orange, Riverside and San Diego Counties in California, an additional $1,018,000 for land acquisition in support of the NCCP in San Diego, $100,000 for completion of a multi-species Habitat Conservation Plan in Kern County, California.

Another particularly productive effort has been assisting in the Service's Partners for Wildlife program, which provides advice and in some cases minor construction services to private landowners seeking to protect or restore wetlands on their property. We have seen an overwhelmingly positive response from

landowners throughout the country towards this voluntary partnership effort. The Foundation's assistance has included:

- a grant to the Wisconsin Waterfowl Association to permit trained volunteers from the Association to locate suitable areas for restoration and make the agreements with the landowners, freeing Service personnel from these more routine activities;

- grants to Ducks Unlimited in the Central Valley of California to expand their "Valley Care" initiative which encourages rice farmers to manage their lands in ways most conducive to waterfowl and shorebird use; and

- a grant to the Delta Wildlife Foundation in Mississippi, for encouraging local farmers to flood their fields in winter, and training them to be hunting and fishing guides on their own land as a means of supplementing their agricultural income.

The Foundation has also been very active in promoting the conservation of fisheries and neotropical migratory birds.

Neotropical migratory birds -- known to the general public as songbirds, such as bluebirds and robins -- are in trouble, for reasons not fully understood, but which include loss of wintering

habitat in Central America. Because of the diverse needs of these species, the traditional conservation methods of protecting specific tracts of land will not work. Through the Partners in Flight program, initiated by the Foundation in 1990 and in which the Service is an active participant, private landowners throughout the United States are encouraged to take steps to make their land better habitat for these birds. The response has been overwhelmingly positive.

In addition, the Foundation is making grants in Central America and Mexico to give local peoples there a stake in conservation of these species and their habitat, and to provide training in wildlife and habitat management.

The Foundation's efforts at conserving our fisheries resources have ranged from assisting various local groups to restore salmon habitat in the Pacific Northwest, to a grant of $225,000 to a local group working to restore the Henry's Fork of the Snake River in Idaho, to $240,000 grant to a Kenai River sportfishing group working with landowners to restore degraded habitat along this river in Alaska. Nor are fishermen forgotten - the Foundation has been assisting groups which hold fishing events for the disabled.

As illustrated by these examples, we believe the Foundation is functioning extremely well and as Congress originally envisioned.

The grant program complements the priorities of the Fish and Wildlife Service, and in many cases, provides benefits which could not be obtained by appropriating a like amount to the Service or any other governmental agency. This is true both because of the Foundation's ability to leverage this money through fundraising, and because as a private entity the Foundation may be welcomed where the Federal government is not.

We do not have any recommendations for changes to the National Fish and Wildlife Foundation Act at this time. We simply urge your continued support for the Foundation and ask for your help in securing the funding requested in the President's fiscal year 1997 budget, which includes $6 million through the Fish and Wildlife Service.

This concludes my prepared statement. I would be pleased to respond to any questions you may have.

TESTIMONY OF AMOS S. ENO, EXECUTIVE DIRECTOR
NATIONAL FISH AND WILDLIFE FOUNDATION
BEFORE THE SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS
HOUSE RESOURCES COMMITTEE

REGARDING THE NATIONAL FISH AND WILDLIFE FOUNDATION
MAY 16, 1996

Mr. Chairman, members of the Subcommittee, my name is Amos S. Eno. I am the executive director of the National Fish and Wildlife Foundation, and I appreciate the opportunity to testify before the Subcommittee today.

First, I would like to thank you for holding this oversight hearing. As you know, the National Fish and Wildlife Foundation (NFWF) is a 501(c)(3) nonprofit organization created by Congress in 1984, and dedicated to the conservation of natural resources—fish, wildlife, plants, and their habitat. Congress created the Foundation to pioneer the idea of conserving the nation's resources through partnerships and to provide an interface to the private sector. Our function is to promote proactive, private, voluntary solutions to environmental problems as an alternative to the regulatory, litigious, and highly politicized quagmire that characterizes so many environmental issues.

Among our goals are species habitat protection, environmental education, natural resource management, habitat and ecosystem rehabilitation and restoration, and leadership training for conservation professionals. We meet these goals by forging partnerships between the public and private sectors and by supporting conservation activities that pinpoint and solve the root causes of environmental problems. Increasingly, the Foundation is pioneering programs designed to solve natural resource problems through significant private sector and particularly corporate America's participation.

The Foundation provides for enhanced management of the nation's fish and wildlife resources through a competitive grants program. This program has been designed to create partnerships among federal agencies, state and local units of government, and the private sector. Funds appropriated to the Foundation serve as seed money to support this grants program. Unless specifically directed, all federal funds go directly to support these on the ground partnerships for conservation. The Foundation raises its operating costs privately.

We appreciate the fact that Congress is under pressure to reduce spending. The Foundation has played a key role in providing for sound management of our nation's fish and wildlife resources during a time of declining budgets.

First, through the leveraging feature of our challenge grants program, we return over $2 in nonfederal funds for every federal dollar invested through the Foundation. Our authorizing statute required the Foundation to match federal funds on a 1 to 1 aggregate basis. However, we have adopted an internal policy of generally requiring a 2 to 1 match—to make those federal funds go further. In fact, over our ten years and 1,330 grants the Foundation has made, we have averaged leveraging $2.60 of nonfederal funds for every federal appropriated dollar.

Second, by working with nonfederal partners, we help develop better solutions to environmental issues. These partnerships produce more cost effective, creative, and practical solutions. Furthermore, these partnerships develop management solutions which become self enforcing and require less oversight/enforcement.

Some of the key advantages of the kind of partnerships NFWF promotes include:

- locally derived solutions to local issues
- private voluntary solutions as alternative to command and control regulations
- encouraging potential adversaries to work together
- reducing litigation and advocacy
- more cost-effective decisions because responsibility is put in the hands of people making decisions rather than remote "bureaucrats"
- finding common solutions to problems

NFWF serves as a model and testing laboratory for reform of the federal government. We help agencies learn how to engage in cooperative resource management partnerships with the private sector, and we help the private sector enlist the cooperation of government to address natural resource issues in a manner that eliminates unnecessary and expensive regulatory burdens. We have the ability to put together partnerships that bridge traditional interests. Quite frankly, we bring people together to forge proactive cooperative solutions and avoid government command and control regulation.

We head off potential problems, such as endangered species conflicts, that pose expensive problems for this Subcommittee, the stretched federal budget, and the private sector by working up-front with local communities and agencies to improve fish and wildlife management. The Foundation helps the agencies take practical steps to lessen or avoid these problems, establish an atmosphere of cooperation rather than antagonism between the agencies and the local community, and provide a series of positive examples that can be emulated throughout the country. For example, the Foundation played the critical role in shaping the Karner Blue Butterfly HCP, which ended the timbering moratorium throughout much of the "northern tier."

None of the core funds appropriated to the Foundation go to the administration of the Foundation. None of our federal funds are used for lobbying. In fact, the Foundation does not lobby. We do not allow grant recipients to use federal funds or even privately generated matching funds for lobbying. Through the rigorous matching requirements, the grant program is designed to discourage lobbying by recipients. Let me emphasize: none of our funds or the leveraged matching funds are used by grantees to lobby or litigate.

If the proponent of an otherwise highly meritorious project is unable to provide the minimum necessary cost-share, the Foundation will work with the project proponent to identify and solicit corporate, foundation, or other sponsors for the project in question. If necessary, we work with potential grantees to improve the quality of their grant proposal. We act quickly and responsively, not being hampered by an agency's far-flung bureaucratic organization and procedures, which often require multiple signatures on many pieces of paper before anything meaningful can happen.

The Foundation actively seeks on-the-ground partners for fish and wildlife conservation. All potential grants are subject to a peer review process, involving state and federal agency staff, academics, commodity and environmental interests, corporate America, and other recognized experts. The review process examines the project's technical merit, the degree of interest in the local community, the variety of partners who are willing to participate, and the amount of nonfederal cost-share that is proposed.

The Foundation requires strict financial reporting by grantees, and we ourselves are subject to an annual audit. In addition to our own audits, NFWF is also routinely audited by our federal partners. In 1993, the Foundation underwent an audit by the Inspector General of the Interior Department, which we passed with flying colors.

To adequately address the resource challenges facing fish and wildlife, federal agencies need creative solutions and the development of new partnerships with state agencies and the private sector. This is exactly what the National Fish and Wildlife Foundation can deliver.

The Foundation is in the partnership business. We have had partnerships with sixteen federal agencies. But that is just the start. We have worked with over 67 state and local agencies, 375 private organizations, and 50 universities. We have worked in all fifty states.

Perhaps most importantly, we create **voluntary**, cooperative partnerships that defuse tension, break through vested interests and **solve** rather than **inflame** difficult issues. **Most partnerships are local.** We invest in private sector solutions and empower local communities to implement their *own* strategies. We create bridges where bridgeheads do not exist. In Arizona and New Mexico, we have worked to form a consensus between public lands grazing ranchers and endangered species proponents. In the Pacific Northwest and Carolinas, we have created partnerships between timber producers and bird watchers. Likewise, we have acted to provide "special management" for the burrowing owl in California and the pygmy owl in Texas rather than watching the Fish and Wildlife Service add these species to the Endangered Species List. The Foundation's role was crucial to each of these successful solutions.

I would like to include a list of some of our recent corporate partners to illustrate the private firms with which we have worked in partnership to find proactive voluntary solutions to environmental problems.

ABT Company
American Forest & Paper Association
Bass Pro Shops
Boise Cascade Corporation
Budweiser
Champion International
Chevron Corporation
Consolidated Paper
Exxon Corporation
FMC Corporation
The Franklin Mint
G. Loomis Outdoor Adventures Inc.
Hamer Forest Products
International Paper
Kenetech Windpower, Inc
Marplex, Inc.
Memphis LG&W
Mill Pond Press
Alberta Pacific
Anderson Tully Corporation
Biewer Wisconsin Sawmill
Busch Entertainment Corporation
Capital Cities/ABC News
Chevrolet
Church & Dwight Company, Inc.
DOW U.S.A.
Federal Cartridge Company
Forest Industries
Frontiers
Georgia-Pacific Corporation
Hancock Timber
Johnston Timber Corporation
Louisiana-Pacific
Marriott
Mesa Limited Partnerships
Mosinee Paper Corporation

Nagel Lumber Co.
Phillips Petroleum
Potlatch Corp.
Rasmussen Millworks, Inc.
Scott Timber Company
Shell Oil Company
Tudor Investment Corporation
Westvaco Corporation
WMX Technologies, Inc.
Orvis Company
PIC Technologies
Rajala Lumber Company
San Diego Gas and Electric
Seneca Mills
Times Mirror Magazines, Inc.
Union Camp Corporation
Weyerhaeuser Company
Willamette Industries

This list is by no means exhaustive, but illustrates the breadth of types of companies with which we have forged partnerships.

While all of these many partners are important, the U.S. Fish and Wildlife Service remains our primary, steadfast partner. Through the years, we have developed a solid working relationship with the Service, striving to be of assistance with its natural resource management responsibilities as well as with its regulatory responsibilities. We have come to know first hand the multiple responsibilities the Fish and Wildlife Service confronts and just how difficult and divisive those issues are. Despite increasing acreage to manage and declining budgets, the Service is making every effort to keep its natural resources from deteriorating while attempting to work as flexibly as possible within the confines of the Endangered Species Act. At the same time, it is having to balance carefully the sometimes conflicting uses of its refuge lands. We should all be grateful for a staff of able professionals within the Fish and Wildlife Service willing to take on all of these challenges.

Let me describe briefly who we are and who we are not

NFWF works with both the natural resource community and the natural resource based industries. We create bridges between them, meaning that sometimes we are standing in "no man's land" when no one else will go there.

Let me give you an illustration. We work with the chemical, petroleum, forest products industries, and numerous other "resource utilization" industries. However, many of these companies are reluctant to come before a hearing like this for fear of attack from the left. Likewise, we work with the conservation community, which is afraid it will be attacked from the right.

Let me pose a rhetorical question, do you want a polarization of these communities—where they are afraid to work together and are instead encouraged to stand at the extremes and shoot at each other? Or do you want to seek common ground? Which in your mind is the responsible approach?

When Congress created the National Fish and Wildlife Foundation in 1984, it wanted someone to face the bullets and walk into "no man's land." Much of the legislative leadership for the Foundation came from the Republican majority in the Senate, with bipartisan support from the House (with a Democratic majority) and the bill was signed into law by a Republican President. The Foundation has lived up to the Congressional mandate to face those fire fights and seek common ground solutions. The Foundation has done this in a nonpartisan way. It has been driven

by its Congressional directive to take on tough issues and provide the best professional expertise to enhancing the management of the nation's fish and wildlife resources.

Many of the issues the Foundation is called on to assist with (for example declining salmon populations in the Pacific Northwest or breaking the impasse on Endangered Species problems such as the Karner Blue Butterfly) are environmentally, economically, and politically difficult. The Foundation has made its mark by being able to work with groups with a variety of perspectives—conservative, liberal, protectionists, resource extractors, etc. We recognize the validity of a variety of perspectives. We can provide that outreach and professionalism to bring groups together. Some will attack the Foundation for working with the conservation community—others for working too closely with industry. We believe this is our mission—to build common ground solutions to difficult issues.

Changes at NFWF since last oversight hearing

Three years ago the Fish and Wildlife Service provided the vast majority of federal seed funds for NFWF partnership programs. Since that time both Congress and the agencies have called on NFWF to broaden the number of institutions it works with. Quite simply, there is no single natural resource agency. Instead, the federal government is organized so that many agencies have natural resource management responsibility. Agencies and Congress have called on the Foundation to add their expertise, leveraging and partnership ability, and coordinating talents.

In FY 1996, at Congressional direction, NFWF was directed to develop a pilot program for the Department of Agriculture to see if it is practical to operate a partnership matching program for the Wetland Reserve Program. In addition, Congress also directed NFWF to work with the Bureau of Reclamation to assist that agency in meeting its responsibilities of providing for management of fish, plants, and animals. Working with these agencies we are stretching scarce federal funds, building partnerships with the private sector and local government, and providing better integration in resource management.

Second, before any potential projects go before our board of directors for consideration today, we notify members of Congress about prospective grants in their districts. This provides additional information to the Foundation in selecting projects. Frankly, it gives us both a heads up if there is a potential problem. This has resulted in both better projects and better communication between the Foundation and Congress.

Third, we have extensively revised our grant information packet, grant guidelines, and grant contracts to assure that no federal funds are inappropriately used for activities like lobbying or litigation. The Foundation not only requires grant recipients to meet the applicable federal requirements (such as OMB Circular A-122) but sets a higher and more demanding standard than the federal government.

Finally, the Foundation continues to reach out to the private sector to broaden the base of voluntary conservation. This year the Foundation entered into what we believe is the largest corporately sponsored species recovery program ever undertaken.

NFWF Activities in Past 6 Months

By way of example, let me give you a brief overview of our activities just since this past fall. In September, in partnership with Exxon, we unveiled the Save The Tiger Fund. Exxon

pledged $5 million over five years for the Save the Tiger Fund, but the full dimension their corporate participation will soon generate far more than the $1 million per year originally specified. The program will be administered by a Tiger Council ,which includes the best tiger experts in the world, ranging from the Smithsonian's John Seidensticker to Malaysia's Mohammed Khan.

Although Exxon's $5 million probably represents the largest corporate contribution for endangered species in this country, the real significance of this program lies in the fact that a corporation has stepped forward and assumed responsibility for trying to recover one of the world's most endangered species. And talk about headaches, the tiger is no ordinary endangered species. Its core habitat lies in the midst of the most populous regions of the world. Since World Wildlife Fund announced its Operation Tiger in 1972, the populations of India, Indonesia, and China have grown by 815 million people. Think of it, that is more than the total population of North and South America combined in just over twenty years. And Tigers eat people and livestock—they are not potentially threatening like grizzly bears or wolves—they regularly devour livestock, dogs, cats, and hundreds of people a year. Exxon and all its affiliates are weighing in on behalf of the tiger, underwriting education and research in this country and sending almost seventy percent of the funds to conservation projects on the ground in the range states or Russia, Indonesia, India, and Malaysia.

Second, just last week at Busch Gardens in Tampa, Florida, we launched International Migratory Bird Day and a brand new conservation initiative to conserve Neotropical migratory birds: our Flight Plan. Flight Plan builds and combines previous Foundation investments such as Partners in Flight for song birds, the North American Waterfowl Management Plan, and the Shorebird Network/Wetlands for America, to create a single umbrella for partnerships and coordinated bird conservation activities. Specifically its calls for the involvement of corporate America, companies like Phillips Petroleum, and for private landowners an unprecedented scale. We are also trying to mobilize the 65 million bird watchers in this country into an effective force for conservation at the local level, as opposed to another adversarial crusade aimed variously at thumping Congress, making punching bags of bureaucracies, or painting corporations as eco-villains.

Third, in January in Portland, Oregon, with Congressman Furse. PacifiCorp and a coalition of Portland hotel chains, we launched the Environmental Technology Challenge, a new program that seeks to put on the ground the president's Environmental Technology Strategy, but without the onus of additional government regulations or the cost of acquisition programs. In fact the Challenge hardly involves government at all; it is a true challenge to corporate America to proclaim and unveil their new environmental technologies and to challenge their competitors to match their game.

In Portland we unveiled a new water treatment technology by Wastewater Resources, Inc. of Scottsdale, Arizona at the Red Lion Hotel chain and a new electric commuter transit system developed by PacifiCorp.

A month later in Orlando we highlighted Trane Corporation of LaCrosse, Wisconsin's new CFC refrigerant technology that is providing the cooling system for the city offices of Orlando and Busch Garden's new manatee and Wild Arctic exhibits.

Two weeks ago, a few blocks from here at Eastern High School, we unveiled Phillips

Lighting's new mercury-free lights, which now provide a ray of reduced contaminant lighting to this impoverished city's largest high school.

Finally, in mid-April we made a presentation to the Congressional Sportsmen's Caucus, because today, we are probably the largest underwriter of conservation for game species and the many organizations, such as Rocky Mountain Elk Foundation, National Wild Turkey Foundation, Pheasants Forever, Quail Unlimited, Trout Unlimited, and the Atlantic Salmon Federation to name just a few that invest in conservation activities on behalf of our nation's hunting and fishing public.

Basic Facts About the Foundation

The Foundation is authorized to receive federal appropriated funds, and in 1994 Congress extended our funding authorization through FY 1998. The authorized funding level for FY 1997 is $25 million. The Foundation invests in the best possible solutions to conservation problems by awarding challenge grants using its federally appropriated funds to match private sector funds. We have a statutory requirement to match federal funds with at least an equal amount of nonfederal funds, but we have consistently exceeded a 2:1 overall matching ratio. These combined federal/nonfederal resources fuel effective conservation projects.

The Foundation is governed by a fifteen-member board of directors appointed by the secretary of the Interior with the concurrence of the secretary of Commerce. At the direction of Congress, the board operates on a nonpartisan basis and currently has a roughly equal number of Democrats and Republicans. Directors do not receive any financial compensation for service on the board. Just the opposite; all of our directors make financial contributions to the Foundation. It is a diverse board representing corporate America and the philanthropic and conservation communities. Their only common characteristic is a tenacious commitment to fish and wildlife conservation.

In a decade, NFWF has awarded over 1,330 grants, leveraging approximately $53 million in federal funds into over $190 million for on-the-ground fish and wildlife conservation. The funds we dispense cannot be used for lobbying, litigation, or other advocacy activities.

The National Fish and Wildlife Foundation works by:

- Forging innovative partnerships between the public and the private sectors
- Supporting projects that examine and provide workable solutions for root causes of environmental problems
- Minimizing administrative costs—less than four percent of our total budget
- Distributing grants widely—our 1,300 grants have gone to more than 500 grantees in all fifty states, including federal, state and provincial agencies; colleges and universities; private corporations; and both domestic and international conservation organizations
- Obtaining the maximum leverage possible from our federal funds

NFWF is the most cost-effective conservation program funded in part by the federal government. By implementing real-world solutions cooperatively with the private sector, while avoiding regulatory or advocacy activity, our approach is more consistent with Congress's

philosophy than ever before. We serve as a model for how private sector leadership can be brought to the federal agencies and develop cooperative solutions rather than command and control approaches to environmental issues.

TESTIMONY BEFORE THE HOUSE FISHERIES, WILDLIFE AND OCEANS
SUBCOMMITTEE ON
THE NATIONAL FISH AND WILDLIFE FOUNDATION

Presented by
R. Max Peterson, Executive Vice President
International Association of Fish and Wildlife Agencies

May 16, 1996

Thank you Mr. Chairman for the opportunity to appear before the Subcommittee to share with you the Association's perspectives on the National Fish and Wildlife Foundation. The Association has a long-standing interest and involvement in the Foundation and similar endeavors to combine private and industry money to help stretch federal and state dollars to accomplish much needed fish and wildlife conservation work. The International Association was founded in 1902 and is a quasi-governmental organization of public agencies charged with the protection and management of North America's fish and wildlife resources. The Association's governmental members include the fish and wildlife agencies of the states, provinces, and federal governments of the U.S., Canada and Mexico. All fifty states are members. The Association has been a key organization in promoting sound resource management and strengthening federal, state and private cooperation in protecting and managing fish and wildlife and their habitats in the public interest.

It is for these reasons that the International Association is appearing before you today to discuss the National Fish and Wildlife Foundation. The Foundation is known for forging effective partnerships between the public and private sectors to provide some on the ground solutions to fundamental natural resource problems. These cooperative endeavors not only help get much needed work done but provide continuing cooperation between groups that may be traditional competitors or even opponents. The Association has followed the work of the Foundation over the years and is aware of the benefits for the nation's fish and wildlife resources that the Foundation has provided. One of our Directors, Willie Molini, Director of Wildlife in Nevada, served for several years on the Foundation's board.

The Foundation invests in solutions to natural resource problems by awarding challenge grants. The combined resources from Foundation partnerships under-gird effective conservation projects. Simply put, the Foundation probably exemplifies the partnership concept better than the many other "partnerships" which have become so fashionable today. Let me just give you a few numbers which should speak to this effectiveness; since 1986 the Foundation has conferred 1337 grants that have totalled $190.5 million for conservation projects. In fiscal year 1995 alone, the Foundation obligated $23.6 million for 208 conservation projects, committing

$5.8 million in federal matching funds that were leveraged by $17.8 million raised in cooperation with their many conservation partners. In the burdened and cash-strapped world of state fish and wildlife agencies, this represents a crucially important avenue for getting important conservation work done that would unlikely be done without the Foundation. The Association enthusiastically supports leveraging funds to increase the buying power of decreasing conservation dollars. Quite simply, it makes good business sense, and is good for conservation as well.

Among the fine examples of the Foundation's effectiveness has been its work with state fish and wildlife agencies in the North American Waterfowl Management Plan. From the outset of this landmark plan between the United States and Canada, the Foundation and its Board has made the Plan and wetlands conservation a priority. It was the Foundation which initiated efforts to raise and transfer funds for wetland preservation in Canada known as the "step" program. Between 1988 and 1992 more than $40 million was generated with Foundation assistance, to acquire, improve and enhance 500,000 acres of wetlands wildlife habitat in Canada. Because of these efforts the Foundation was instrumental in launching the NAWMP, arguably one of the continents most successful conservation initiatives. The Foundation was farsighted in using some of the first Congressional appropriations to "jump start" the North American at a time when skeptics were sure that state and federal wildlife managers were not committed to providing funds for the continent-wide management of waterfowl. Through its continued leadership, the Foundation, along with state fish and wildlife agencies and several other conservation partners such as Ducks Unlimited and The Nature Conservancy, has supported projects in 34 states, ranging from acquisitions and habitat restoration to public education and outreach projects.

The Foundation has also provided important cooperative leadership for the "Partners in Flight" conservation program for neotropical migratory songbirds by helping bring together federal and state government agencies, and nongovernmental organizations to coordinate and expand efforts for protection and management of songbirds and raptors. Through "Partners in Flight" an unparalleled nationwide conservation program has been successfully launched; all 50 state fish and wildlife agencies are involved. Their matching grants program has allowed some of these states the opportunity to augment or develop conservation actions to halt the decline of over 250 species.

The Foundation has also played a significant role in the Partnerships for Wildlife Act assisting state agencies with obtaining matching grants for conservation projects related to fish and wildlife not hunted or fished or on the endangered species list. There are over 1,800 species these grants will aid, many of which have been neglected for years due to limited state and federal funds.

These are only a few examples of the Foundation's conservation

efforts. The Foundation is also active in fisheries, leadership training, and wildlife and habitat conservation throughout the U.S. All of this, I believe, clearly points out that the National Fish and Wildlife Foundation is not only effective, but innovative, aggressive and well worth the money. Simply put, it is a shining example of a federal-state-private cooperative program that works.

I'm not suggesting that this Foundation bats 1,000 in making grants- sometimes a proposal that looks good and passes rigorous review does not work out as planned or one of the organizations involved does something controversial. We deplore such instances but would point out that in 99% of the cases the Foundation is successful. This is an enviable record.

I'd like to now suggest a couple of ways to improve effectiveness of the National Fish and Wildlife Foundation. We believe there are basically two ways to improve the Foundation's efficacy: first by continuing to appoint experienced leaders including a state fish and wildlife agency head to the Board, and second through additional appropriations for the Foundation.

At the Foundation's outset, as I mentioned earlier, Mr. William Molini, the state fish and wildlife agency director from the State of Nevada, was a member of the Board. The International Association of Fish and Wildlife Agencies believes that the inclusion of a state director on the Foundation's Board is imperative. State agencies are at the forefront of fish and wildlife conservation and are usually aware of needs long before the private sector becomes aware of a specific problem. Having an agency director on the Board will allow the Foundation to continue to be at the cutting edge of fish and wildlife resources management issues. Due to the Foundation's many projects with state fish and wildlife agencies, and the states management authority for many of these resources, we believe that the Subcommittee should consider advising the Secretary of Interior that the appointment of a state director to the Board is important and justified.

To improve effectiveness we also believe that the Foundation, if given more Congressional appropriations, will continue to multiply federal dollars with the private sector dollars to improve the nation's fish and wildlife resources. Increasing the capacity for partnerships is a sound fiscal investment. The International Association enthusiastically supports such an increase and has consistently testified for such funding before the appropriations committee.

In conclusion, Mr. Chairman, the Foundation represents an example of a partnership that works. For a relatively modest investment, the nation's fish and wildlife resources are being conserved and their management enhanced. From the standpoint of the state fish and wildlife agencies this is a shining example of good government. Thank you and I would be happy to answer any questions the Subcommittee may have.

s:\angela\testimony\nfwf96.tes

Georgia-Pacific Corporation
133 Peachtree Street NE (30303)
P.O. Box 105605
Atlanta, Georgia 30348-5605
Telephone (404) 652-4000

TESTIMONY OF WALTER JARCK, DIRECTOR OF FORESTRY
GEORGIA-PACIFIC CORPORATION
BEFORE THE SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS
HOUSE RESOURCES COMMITTEE

REGARDING THE NATIONAL FISH AND WILDLIFE FOUNDATION
MAY 16, 1996

Mr. Chairman, my name is Walter Jarck, Director of Forestry for the Georgia-Pacific Corporation, Atlanta, Georgia. Georgia-Pacific is a Fortune 100 forest products and paper company with an ownership of over six million acres of managed forest land.

We appreciate the chance to speak with you today on behalf of the National Fish and Wildlife Foundation. We are pleased to have this opportunity because the Foundation is an important ally, and asset to, Georgia-Pacific, as we grapple with challenging natural resource issues on our corporate lands.

At the risk of over-simplifying a complex situation, Mr. Chairman, I'd like to say that our partnerships with the National Fish and Wildlife Foundation represents conservation "the way it should be done." That is, conservation **without regulation, without the taking of private land, and without the heavy hand of the government**. Instead, it is conservation based on **voluntary participation,** with partners coming to the table to identify mutually agreeable solutions that benefit natural resources while also protecting economic interests. I submit that the National Fish and Wildlife Foundation provides a model for the way government can, and should, interact with the private sector to conserve our nation's natural resources.

Georgia-Pacific is a partner with the Foundation on many conservation projects, but I would like to highlight two in particular. The first involves development of a Habitat Conservation Plan (HCP) in Wisconsin for the federally-endangered Karner blue butterfly. The second involves conservation of the Atlantic salmon and it's habitat in Maine. These two very different projects epitomize the kind of natural resource challenges we, as a corporation, face. These projects also illustrate the power of cooperative solutions forged by decision-making at the local level.

In both projects, we actively pursued participation by the National Fish and Wildlife Foundation. We did this for several reasons:

First, the Foundation has matched our funds, and those of other forest products companies, for research, monitoring, and management activities that were critical to the success of our conservation projects. In Wisconsin, on the Karner blue butterfly HCP, the Foundation provided $33,500 in matching funds to $67,000 in private funds contributed by Georgia-Pacific and eight other forest products companies. The net effect of the Foundation's funding was to leverage by 50% the money contributed by industry for these projects. Even more importantly, the very promise of matching funds from the Foundation enabled us to secure participation and funding from smaller companies that might not otherwise have contributed to this project.

Second, the Foundation serves as a credible and unbiased "third party" to help manage projects associated with our conservation programs. For example, to prepare an effective HCP for the Karner blue butterfly, we needed scientifically credible data on butterfly dispersal, monitoring techniques, and other facets of the species' ecology. For Georgia-Pacific to fund this work directly would invite criticism of the objectivity of the scientists who received funding for the research. Instead, the Foundation solicited proposals, had them peer-reviewed, and managed all financial aspects of the project. This ensured that the research we funded would stand the test of review by the scientific and management community who are involved with developing the HCP.

Third, the Foundation acts as an effective liaison between the forest products companies and the federal and state agencies, universities, and private conservation groups with whom we work on projects such as a HCP. Unfortunately, for historical or other reasons, it can be difficult for a private industry to interact as effectively with these partners as is needed. When these situations arise, we have found the Foundation to be very effective at bridging these gaps. There are currently 26 active partners in the Karner blue butterfly HCP project. As you well know, Mr. Chairman, getting diverse groups to work together and agree on procedures and practices can be a tremendous challenge. The Foundation's connections with these diverse partners has been an asset to us, and for the other contributors to the HCP process.

Finally, we invited participation by the Foundation because they are skilled natural resource professionals who seek innovative solutions to natural resource challenges. It would be easy for Georgia-Pacific to simply sell land on which endangered species are found. In some cases, we do this, and we are relieved of responsibility. In the vast majority of cases, however, Georgia-Pacific does not see this as a viable solution. We employ some of the most skilled forest managers in the world. Our preference is to use our expertise, and that of our partners, to develop solutions that conserve natural resources, but that also maintain or enhance the economic value of our lands.

We do NOT feel that natural resource conservation and economic return are mutually exclusive goals—whether the subject is sustainable forestry or Karner blue butterfly conservation. We DO feel that traditional approaches and mindsets to conservation—those that emphasize confrontation and litigation—have created this artificial dichotomy. Too often, the business and conservation communities meet for the first time in a courtroom, with battle-lines drawn, to fight an expensive legal battle that could have been avoided. We certainly would prefer that our financial resources go

to on-the-ground conservation, rather than legal fees. Given the opportunity, Georgia-Pacific will do this. The National Fish and Wildlife Foundation helps create those opportunities for us.

The Karner blue butterfly HCP is a case in point. Georgia-Pacific, and other local and national forest products companies, have been at the table from the onset, helping craft a practical plan that will conserve Karner blue butterflies and their habitats without shutting down the timber industry. As it turns out, the forest products industry has the potential to contribute to conservation of the Karner blue butterfly in a very meaningful way that also complements our primary function, which of course is harvesting timber.

Please allow me to elaborate on this point, because I think it serves as an example of how we in industry can play a meaningful role in conservation. It also serves as an example of how a little innovation can make the difference between failure and success for the timber industry and conservation of the Karner blue butterfly.

The Karner blue butterfly's distribution is determined by the presence of a plant called the blue lupine, on which the butterfly larva feeds. Lupine grows in sites where the soil has been disturbed ecologically, for example by fire. Lupine also grows in sites that have been disturbed by man—such as timber cutting. In fact, the Karner blue butterfly's very existence depends on these disturbances to continually create new habitats.

Thus, one of the challenges to conserving the Karner blue butterfly is, "How do we maintain a sufficient number of disturbed sites on which the butterfly can thrive?" As you might predict, we in the timber industry felt that our normal timber harvest operations, which essentially create butterfly habitat, could be an integral part of the conservation process. Although this point seems obvious, it is difficult for many of our partners to accept that Georgia-Pacific's normal timber operations could actually be beneficial to the butterfly. Accepting this point requires a break from tradition—a new way of thinking that has obvious benefits both for our company and the Karner blue butterfly.

We sought a partnership with the Foundation because it shares our desire for innovative, tradition-breaking solutions. The grants they have awarded with our matching funds have produced the information we need to understand how best we can create habitat for the Karner blue butterfly on our industrial lands. This will in turn allow us to contribute in a meaningful way to the HCP, and to the butterfly's conservation in Wisconsin.

The Foundation also assisted by having representatives from the forest products industry named to the Karner blue butterfly recovery team. This is absolutely critical. If Georgia-Pacific and other large private landowners are not participating in these discussions from the onset, do you really think there will be any hope for a mutually agreeable solution? Our biologists and staff bring great expertise, and a new viewpoint, to what otherwise might be a very academic—and unrealistic—recovery planning process. We are grateful that the Foundation helped make this possible, and we hope that our participation will serve as a model for other projects.

The Karner blue butterfly HCP process has not been perfect, and there remain many areas for improvement, but it has been far better than the traditional alternative. The Foundation's contributions, both financial and intellectual, have been a key ingredient to the success we have so far enjoyed.

We also have a successful relationship with the Foundation on an exciting salmon conservation project in Maine. The Atlantic salmon has been an integral part of history and culture in New England for centuries. Unfortunately, as a result of water pollution, loss of spawning habitat, and overfishing on the high seas, Atlantic Salmon populations have plummeted. In fact, just this year, the Departments of Interior and Commerce proposed that the Atlantic salmon be listed as threatened.

Rather than waiting for the salmon to decline any further, and for the regulation and red tape associated with the listing process to consume our energies, Georgia-Pacific, the National Fish and Wildlife Foundation, and 24 other partners decided to take action. We formed a partnership called SHARE—Salmon Habitat And River Enhancement.

Georgia-Pacific and other members of the forest products industry are charter members of this partnership. As principle owners of the salmon's critical riverine spawning habitat, we felt a strong obligation to take charge of this magnificent fish's conservation needs in Maine.

As they did with the Karner blue butterfly in Wisconsin, the Foundation joined us in project SHARE: providing federal matching funds for money provided by private industry, building partnerships with the diverse partners, and seeking innovative solutions to age-old problems.

SHARE has been very successful, and has created a dialogue that allows private industry and government to work cooperatively and proactively to avoid costly and ineffective regulatory measures.

Over the past several years, Mr. Chairman, we have worked with the Foundation on eight separate conservation projects, ranging from Louisiana black bear conservation to environmental education at the Atlanta Zoo. We have passed through more than $125,000 to the Foundation for conservation projects around the country. This is certainly a case of putting our money where our mouth is, in terms of our support for the National Fish and Wildlife Foundation.

Mr. Chairman, Georgia-Pacific works with the Foundation because they make good things happen. They share Georgia-Pacific's proactive approach to conservation. They share Georgia-Pacific's quest for market-driven incentives to conservation. They share Georgia-Pacific's commitment to conservation that is compatible with, and an integral part of, our nation's economy. It is with great pleasure, Mr. Chairman, that we speak in support of the National Fish and Wildlife Foundation.

Testimony
before the

Subcommittee on Fisheries, Wildlife and Oceans
of the Committee on Resources
U.S. House of Representatives

Presented by

Carlton N. Owen
Director, Wildlife & Resource Issues
Champion International Corporation

May 16, 1996

Mr. Chairman and members of the Subcommittee, we appreciate this opportunity to offer our experience and views on the operations of the National Fish & Wildlife Foundation.

My name is Carlton Owen. I am Director of Wildlife and Resource Issues for Champion International Corporation. Champion is one of the nation's largest manufacturers of pulp, paper, and forest products. Additionally, we are among the nation's largest private forest landowners with more than 5.3 million acres in seventeen states.

In my capacity I am responsible for forestry-related environmental issues including wildlife habitat and forest policy for our lands in the U.S. In this position I have had a long and productive relationship with the National Fish & Wildlife Foundation.

While we have had numerous experiences with the Foundation, today we would like to share just three as being representative of our shared activities with the Foundation. Further, we would like to review some of the results those projects are yielding.

Basing Management Decisions on a Foundation of Science

The business of forest management is complex at best. To be successful, especially as we seek to achieve truly sustainable forest management, it is increasingly important that our managers have access to the best science available. In many areas, the needed information just does not currently exist. Therefore, we and others must invest in new research to determine the best ways to manage our forests so as to protect all outputs and lifeforms of the forest.

On a large watershed that we own in the mountains of eastern Tennessee, the Foundation has joined us in a recently begun study with Tennessee Tech University. That study will help us to evaluate the feasibility and relative costs and effectiveness of several survey methodologies to determine the biological resources that occur in the freshwater streams on our property. We believe that this information will be valuable not only for our management purposes but also for use in enlisting other private landowners to assist in the protection of critical aquatic resources.

The approaches we are pursuing break with that common to many research projects. There are many people who believe that private landowners are the problem -- but few who understand that we are and must be part of the solution. The Foundation is one of these few, and with their support, we have been able to elevate the status of private landowners in the conservation arena. Our goal is not just to add to the science and information base but also to develop cost-effective methodologies that landowners can apply in their own management planning, and develop effective protocols for future cooperative efforts. With such simple tools based upon sound science, private landowners can continue to do their part in the overall effort to protect the nation's aquatic resources.

Putting Information in the Hands of Those Who Need it Most

The concern for identification and protection of threatened and endangered species on private lands is emotionally-charged and often fraught with conflict. The Foundation has joined us in a pilot project in the State of Alabama where we have sought to provide common-sense, user-friendly information directly to those who need it most -- private logging contractors and foresters working with private landowners.

The result is a full-color, shirt-pocket-sized field guide identifying listed species and providing forest management considerations. It is free of the technical and legal jargon that all too often serves to frighten and confuse. Like this field guide, our goal is simple -- to put usable information in the hands of those people who are most likely to encounter listed species on a daily basis. By taking this approach we are seeking to enlist these concerned citizens in the protection of species.

This project has been so successful that we have just completed a second printing in Alabama, and we plan to develop guides for several of the other states in which we operate. Our success with the Foundation has encouraged a number of other agencies and conservation organizations to join us in these follow-up efforts. The Foundation has helped us with this low-tech approach to endangered species identification and protection that is building bridges rather than barriers.

Finding Solutions Through Cooperation

In an ideal world, sufficient incentives would exist for private landowners to actively participate in species conservation. Unfortunately, because of the way in which the ESA has been implemented, the threat of an endangered species being found on one's private property evokes visions of horror for the average citizen.

If those who are concerned about protection of the nation's wildlife resources are not able to overcome this all-too-common feeling, we will never be able to enlist the nation's majority landowners -- private citizens -- in efforts to protect and recover our nation's bountiful wildlife.

We, like many others including the Foundation, are seeking new ways to approach protection and management of listed species. We'd like to bring to your attention one of the most promising models for conservation anywhere in the nation -- Project SHARE in Maine. Project SHARE, which stands for Salmon Habitat and River Enhancement, was started two years ago as an alternative means to the normal gridlock that often results with the listing of a new species.

In this case the U.S. Fish and Wildlife Service and the National Marine Fisheries Service were considering a petition to list the Atlantic salmon as threatened or endangered throughout all or a portion of its range. While some of the advocates for listing saw a new tool to stop otherwise legitimate land management, private landowners and sportsmen saw the threats of increased management costs, declines in property values, and regulatory burdens. In the words of Secretary of the Interior Babbitt, another "train wreck."

Project SHARE was formed by Champion and two other forest products companies with extensive holdings in the prime salmon habitat of Downeast Maine. Our goal was not to form a coalition to oppose listing, rather to create a coalition to address voluntary habitat restoration and management. Our belief was simple enough -- if we could support the state and federal agencies that have responsibility for protection of the species and show alternatives to the normal regulatory approaches that follow species listing, then the responsible agencies would have more options to develop flexible, constructive, and potentially beneficial plans.

Today, Project SHARE boasts a long list of cooperators, including state and federal agencies, universities, sportsmen's groups, local businesses, blueberry growers, and the aquaculture industry. To date, the bulk of the funds necessary to meet the organization's goals in research, management, and education, have come from the private landowners themselves. However, active involvement and encouragement by the National Fish & Wildlife Foundation and challenge grants have made SHARE a success beyond our wildest dreams.

Because SHARE offers a positive forum for constructive action, many organizations from the private, public, and non-profit sector have come together. As a result of the success of this broad-based effort, the Federal agencies originally proposing a listing action to have recommended a course of action that could substantially limit regulatory burdens while strengthening the potential for focus on the wildlife resource.

In short three gains stand out:

- The recovery planning process is being led by the state with direct involvement by all of the interested and affected parties;
- Recommendations being considered are less "command and control" and more positive in nature; and
- Less time is being spent in "fighting the listing" and more time is being spent in "planning and implementing the recovery."

We believe SHARE stands almost alone as a potential success story in recent application of the Endangered Species Act. It meets several of our critical tests for success where endangered species are addressed:

- states take the lead in recovery planning;
- private landowners and other affected parties are part of the planning process; and
- non-regulatory solutions are given high priority

While these by no means exhaust our concerns about the current ESA, they do provide hope that creative solutions to species protection and recovery are available. I'll not go further into my pitch for reasonable reform of the ESA. We'll save that for another time.

Final Points

While the National Fish & Wildlife Foundation is far broader than the involvement that we have depicted, we believe these three examples highlight some of the real values and successes.

- First, the Foundation is leveraging funds and encouraging research that will help develop a platform of peer reviewed, sound-science to aid in the management of the nation's natural resources.

- Secondly, the Foundation's staff and board have recognized that enlisting everyone in the protection of the nation's natural resources is critical to success. Education and information materials such as those we have jointly designed for loggers are serving to enlist others for conservation while additionally serving to dampen the fears flamed by command and control regulation common in the past.

- Additionally, our experience with Project SHARE supported in large part by the Foundation stands as a shining example of the potential to build bridges for conservation; to take an inclusive approach to species recovery; and to explore new and more productive ways to address endangered species protection. As an organization that very effectively bridges the gap between federal agencies, the academic/scientific community, and the private sector, the Foundation is an invaluable resource for us in promoting the role of the private sector in conservation.

While the Foundation's funds are often critical in leveraging additional financial resources for projects like those we have described, there is another, perhaps more important benefit. The National Fish & Wildlife Foundation provides credibility and creativity that bring for profit corporations, not-for-profit conservation interests, and government agencies together for the good of conservation. The positive relationships formed often last well beyond the life of a given project.

Our experience suggests that the Foundation is achieving important results that will prove increasingly important to the cause of natural resource conservation. We for one are proud to be a partner in this success.

Carlton N. Owen
Director, Wildlife & Resource Issues
Champion International Corporation
37 Villa Road, B-141
Greenville, SC 29615

(864) 370-7206
(864) 370-7208 (fax)

Key Points in Testimony

Provided Three Examples of Cooperative Projects With NFWF

1) Aquatic research project in Tennessee

- Evaluating feasibility and cost of stream survey methods for private landowners
- Information will enlist private landowners in conservation

2) Putting information in the hands of those who need it

- Field guide on threatened and endangered species in Alabama for loggers
- Bringing loggers into conservation
- Project will be duplicated in other states

3) Finding solutions through cooperation

- Project SHARE (Salmon Habitat and River Enhancement) in Maine
- Bringing wide range of partners together for conservation
- Provides excellent non-regulatory model for T&E conservation
- Endangered Species Act needs reforms that support these type efforts

Final Points

- Foundation leveraging funds to build base of sound science
- Education materials bring new partners into species protection
- Aiding in new models for species protection that enlist private landowners

TESTIMONY OF E. KIMBARK MacCOLL, JR.
VICE-PRESIDENT, OREGON WILDLIFE HERITAGE FOUNDATION
BEFORE THE HOUSE RESOURCES COMMITTEE
SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS

REGARDING THE PROGRAMS AND EFFECTIVENESS
OF THE NATIONAL FISH AND WILDLIFE FOUNDATION
MAY 16, 1996

Mr. Chairman and members of the Subcommittee, my name is Kim MacColl. I am the Vice-President of the Oregon Wildlife Heritage Foundation. For the last three years, I have also served as the Foundation's chair of project/grant activities.

I greatly appreciate being given the opportunity to testify before the Subcommittee today on the subject of the National Fish & Wildlife Foundation (NFWF), including its programs and its effectiveness.

During my tenure with the Oregon Wildlife Heritage Foundation (OWHF), I have come to know the NFWF quite well. I have had the opportunity to work closely with its Executive Director, Amos Eno. I have also had the opportunity to work with the past two Fisheries Directors.

Three years ago, the OWHF embarked on a challenging campaign to stop the decline of salmon, steelhead and trout in Oregon by restoring and rehabilitating the rivers and streams along Oregon's 300-mile coastline. In cooperation with the Oregon Department of Fish & Wildlife (ODFW) and the Oregon Department of Forestry (ODF), the OWHF set out to develop a joint venture with private industry and private land owners, including most of Oregon's largest timber companies: Willamette Industries, Georgia-Pacific, Weyerhaeuser, Boise Cascade, Longview Fiber, Cavanham Forest Industries, Stimpson Lumber Co., Simpson Timber, Hampton Tree Farms, Tumac Lumber Co. and Starker Forests, Inc. Our Foundation funded the preparation of two detailed salmon habitat restoration planning documents, one for Oregon's north coast and one for Oregon's mid-coast.

Once these "blueprints" for habitat restoration were completed, we were confronted with a serious problem. What should the Foundation and the ODFW do with these plans? It became quite clear that, in order to take this project to the next level and to complete the habitat restoration set forth in the plans, we had to identify a major funding source which would allow us to encourage and challenge the private land owners and the timber companies to participate financially in the project. We needed funds for biologists to work with the private land owners and draw up the final, detailed plans and to oversee the in-stream and riparian restoration. We also needed funds for the major capital improvements that were identified in the plans.

While some local foundations expressed an interest in the project, it was clear that we were not going to receive a major grant or commitment. We had nowhere to turn except to the NFWF. Over the last three years, the OWHF has applied for and received two major grants, each in the amount of $300,000.00, for a total of $600,000.00. Both grants were on a two-for-one matching basis ($100,000.00 NFWF funds and $200,000.00 local challenge funds). One grant was for Oregon's north coast and one grant was for Oregon's mid-coast.

With this financial support, we were then able to turn to the ODFW's Restoration and Enhancement Board, the timber companies and the ODF with the challenge. To date, they have provided approximately $200,000.00 in local matching funds for the North Coast Salmon Habitat Restoration Project. In addition, the private timber companies have, over and above the financial support, also contributed significantly with "in kind" contributions comprised of both labor and materials.

The Mid-Coast Salmon Habitat Restoration Project has now raised approximately $80,000.00 of local matching funds, including contributions from some private foundations, and is moving smoothly toward its challenge goal of $200,000.00.

Final project plans for both the north and mid-coast projects are being developed right now by biologists in cooperation with the private land owners and various state/federal agencies. It is anticipated that substantial habitat restoration efforts will be underway in both areas by late June, 1996.

All of this is very exciting! Oregon is taking a leadership role in promoting and directing habitat restoration. We intend for these projects to be part of a long-term plan for coho protection and enhancement. The OWHF and the ODFW are mindful of the fact that the National Marine Fisheries Service (NMFS) will likely list the coho as an endangered species. Most Oregonians would like to find a way to solve the coho problem without having to undergo all of the many difficulties that flow from an Endangered Species Act "listing." We would like to have our north coast and mid-coast plans be adopted and accepted by the NMFS as a viable alternative to an Endangered Species Act listing. With the continued assistance and encouragement from the NFWF, we think we can accomplish this goal.

For a further description of the North Coast Habitat Restoration Project, please see Exhibit A.

Looking back over the last three years, the reality is that very little habitat restoration would have been accomplished had it not been for the support and backing of NFWF.

Without the NFWF grants, the OWHF would still be looking for funding in Oregon, the plans would still be "on the shelf," and many of the timber companies would still be waiting for guidance and funding.

Based on our Foundation's involvement with the NFWF over the past three years, I have concluded that the NFWF is functioning very smoothly, efficiently and effectively. The NFWF grant program provides some unique and highly significant benefits:

(1) First and foremost it provides tremendous leverage by which each dollar granted to the OWHF is able to generate an additional $2.00 of local money. Over and above the actual dollar amount granted, the NFWF grant has also generated in kind contributions and donations in the form of habitat restoration work that the timber companies have performed "at cost" and without reimbursement or payment.

(2) The NFWF also provides flexibility in its programs and grant procedures. The grant process is streamlined and not overly burdensome. With each of our two grants, we were notified within three months of grant submission that our proposal had been accepted. Money from the grant was available to us within 4-6 weeks of grant approval. Once the project began, we submitted financial summaries every three months and program/operation summaries (including slides and video) every six months. There is virtually no bureaucratic red tape. Without reservation, I can state that the NFWF grant program is an incredibly "user friendly" federal program. This contrasts sharply with some other federal programs like "Jobs in the Woods" where, according to local Oregon biologists, it takes significantly more time, effort and energy to get any funding whatsoever. And these programs do not have the leverage capability that the NFWF grant program has.

(3) The NFWF grant program helps create public-private partnerships. As a result of the NFWF grants, our two projects in Oregon have brought together private industry, timber companies, private land owners and farmers, state agencies, federal agencies and local foundations. This has allowed us to move ahead in unison, towards a common goal: fish and wildlife conservation through habitat restoration. We have been able to accomplish this without much of the bickering, criticism and threatened litigation that so often occurs today between private industry, governmental agencies and environmental organizations.

(4) The NFWF grant program provides money for monitoring the various improvement projects once they have been completed, thereby providing a means by which we can determine if

habitat restoration is actually working. Without the original NFWF grant, we would never have progressed to the point where this kind of detailed scientific documentation was even possible. Please see the North Coast Habitat Restoration monitoring report for May, 1996 attached as Exhibit B.

(5) The NFWF grant program provides a vision for the future of conservation in America. For the OWHF, this vision encompasses healthy habitat, abundant fish runs, enhanced angling and hunting opportunities, public-private partnerships and economic opportunities for areas hardest hit by reduced timber harvesting and poor fisheries. As we look to the future, more and more of our conservation efforts are going to have to be dealt with at the local level and be funded by public-private partnerships. Because the federal government may well have less money to spend on conservation in the future, it will be absolutely critical to retain those organizations/programs, such as the NFWF, that foster public-private partnerships and that encourage private enterprise to invest directly in conservation programs and habitat restoration.

Based on the success of the NFWF's challenge grant program in Oregon, I submit that U.S. tax dollars are being very wisely spent. Both the OWHF and the NFWF operate with some of the same governing principles: (a) put grant money to work in projects, don't spend money on personnel, administration, overhead, bureaucracy and studies; and (b) don't get involved in politics, lawsuits, advocacy or lobbying. By operating according to these underlying principles, I believe that the NFWF is able to avoid frivolous expenditures and waste. I am unable to identify any other agency or program where U.S. tax dollars are as prudently spent or monitored as they are with the NFWF.

At this time, I would not recommend any structural or substantive changes in the NFWF Establishment Act of 1984. I would, however, strongly recommend that the annual funding more closely track the authorization level of $25 million dollars. Every dollar allocated to the NFWF generates an additional $2.00-$3.00 of local/private or state money. It is doubtful that many other federal programs can produce such impressive returns. In fact, I recommend the Committee call on NFWF to expand its role in this time of tight budgets.

As federal funds decline, it seems clear that the NFWF is one of a very few organizations that provides maximum, efficient utilization of funds by not "taking a cut" at each step as funds are moved to the field. Instead, the NFWF grant program actually multiplies the federal investment through partnerships. To constrict or constrain the NFWF at this time would be to move in the wrong direction and to send the wrong message. Instead, Congress should promote leadership through efficiency and should call upon the NFWF to do more for fish and wildlife conservation.

NEWS RELEASE MAY, 1996

NORTH COAST SALMON RESTORATION PROJECT

PORTLAND, OR -- The North Coast Salmon Restoration Project began in 1994 following discussions between the Oregon Wildlife Heritage Foundation and the Oregon Department of Fish & Wildlife (ODFW) around the need for a regional approach to stream restoration efforts. The goal was to improve the winter survival of juvenile coho salmon and steelhead. This project is one of seven regional plans developed and jointly funded by the Foundation and ODFW. The other plans include: North Coast, Lower Columbia, Mid Coast, South Coast, Coos-Coquille Plan, Umpqua and the Upper Rogue. The plans were developed using the best available science to establish specific guidelines for selected restoration sites in every significant watershed on the Oregon Coast.

It was quickly determined that resources were limited, so the North Coast plan focuses on 62 project sites along coastal streams from Pacific City north to Seaside. Of the 62 sites identified, one-third are industrial owned, one-third are state owned and one-third are non-industrial holdings. Plan priorities included first working on sites with existing coho salmon populations. This effort will increase salmon productivity and allow their population to grow and expand throughout the watershed, enhancing neighboring streams with very low or nonexistent salmon activity.

Government, landowners, business and industry, outdoor enthusiasts, individual citizens and other fish and wildlife activist groups also wanted to establish regional priorities for restoring streams and habitats and were included in the planning process. Achieving consensus from such diversified groups and creating an action-oriented work plan that clearly defined outcomes were considered key to the success of the project.

The projects are directed by a full-time fish biologist, funded by the Foundation, on the staff at ODFW. These projects will be completed in two years. Each of the principle sites is a complex undertaking designed to substantially increase stream structure and provide off-channel rearing opportunities for salmon. Twenty-one projects were completed in 1995 and 42 will be finished in 1996. Monitoring results over a multi-year period is considered an essential component of the plan, and comparing data to predetermined and measurable outcomes is already in process.

Funding for the project is the responsibility of Oregon Wildlife Heritage Foundation. The Foundation successfully applied to the National Fish & Wildlife Foundation for a 2 to 1 match grant of $100,000.00. They were able to secure an additional $200,000.00 in cash contributions. In-kind contributions valued at nearly $400,000.00 came from the Department of Forestry and private landowners serving on the steering committee.

The Oregon Wildlife Heritage Foundation and the ODFW have completed plans for 88 restoration projects at mid coast sites. The Foundation hopes to raise $885,000.00 to complete these projects by 1999.

EXHIBIT A-1

Restoration Projects Explore Ways to Improve Salmon Habitat

By John Christie

The coastal coho has come under pressure to be listed as 'endangered' under the Endangered Species Act because of a long-term gradual decline in the number of spawning pairs arriving in coastal streams. Coho spawn in the small tributaries of the major rivers on the west slope of the coast range of Oregon, and listing coho would impact a huge area of some of the most productive forests in the world, severely inhibiting the ability of woodland owners and others to practice forestry on their own property.

Activities such as stand improvement cutting, harvesting, road building, and even recreational functions within designated portions of the coastal forest type, would be affected. And landowners, both large and small, are concerned over the possible reduction in their available forest land base.

Two years ago the Oregon Wildlife Heritage Foundation (OWHF) and the Oregon Department of Fish and Wildlife (ODFW) collaborated in an effort to find ways to improve the spawning habitat in the coastal streams. People in the area already had interest and experience in developing in-stream structures to enhance anadromous habitat in tributaries. It was known that for several years individuals representing fishing clubs, landowner groups, schools and agencies, working through the Salmon Trout Enhancement Program (STEP), conducted somewhat fragmented, but frequently effective, habitat restoration projects. These were, by and large, individual efforts which needed to be channeled into an overall plan for habitat improvement to include the entire coastal region.

To be successful and effective, an action work plan, not a study, needed to be put in place, and time was of the essence. In the fall of 1994, 62 sites were identified on which to carry out enhancement projects. The goal was to complete work on these within two years. The purpose of the plan would be to create a high quality regional guide for stream restoration. The availability of resources and voluntary participation would determine the scope of the area covered.

At an Oregon north coast restoration project, a whole tree 1¼ to 2 times the width of the stream channel is allowed to settle naturally, thus avoiding the need for a cable system. (Photo courtesy of Oregon Department of Fish and Wildlife)

A fish biologist was fully funded by the OWHF and hired by the ODFW to provide the design and details of construction activities. This person is also responsible for regulatory compliance and oversight of in-stream work. Within a year, a committee comprised of seven industrial firms plus representatives from the Oregon Small Woodlands Association, Oregon Forest Industries Council, Oregon Department of Forestry, OWHF and ODFW was formed within the Oregon Wildlife Heritage Foundation. Its purpose was to act as a permanent steering committee to provide oversight and distribute resources needed to accomplish the restoration projects.

The Oregon Wildlife Heritage Foundation secured grants from the national Fish and Wildlife Foundation on a 2:1 matching basis. Other sources of funding include contributions from industry, the Restoration and Enhancement Board, Oregon Wildlife Heritage Foundation, U.S. Fish and Wildlife Service, and the Oregon Department of Fish and Wildlife. Machinery, personnel and materials for structures all count as in-kind contributions. In addition, any work completed for habitat restoration projects qualifies for Oregon's Riparian Habitat Tax Incentive Program.

Monitoring the effects of the projects on the environment within the various streams is carried out by a University of Washington School of Fisheries graduate student, working with the ODFW. The student will evaluate the completed projects, and measure movements of structures and stream bedload woody debris accumulation a habitat unit changes on a seasonal basis. A model to identify areas of prime habitat most suitable for restoration to be used for site selection on future habitat improvement projects will then be developed by the graduate student.

During 1995, 21 projects were completed, most of which survived the December floods. The 1996 storm damage has not yet been evaluated, but preliminary inspections show favorable results with some movement and shifting of logs on in-stream structures, as well as sedimentation in the alcoves. Generally, however, new wood recruitment, pool development and gravel accumulation in the main streams appear to have improved the rearing habitat.

Only time will tell how successful the salmonid project will be. A final draft report of all monitoring activities will be available at the end of 1997.

John Christie is a member of North Coast Salmonid Restoration Project Steering Committee, the Oregon Small Woodlands Association, and the SAF.

EXHIBIT A-2

North Coast Habitat Project

Project Monitoring and Evaluation
May 1996 Update

Barry A. Thom
Kelly M.S. Moore

Introduction

In the summer of 1995, twenty two coho salmon (*Onchorhynchus kisutch*) habitat enhancement projects were completed on Oregon coastal streams as part of the North Coast Habitat Project. Project techniques included the placement of large woody debris (LWD) in the stream channel, the construction of rock weirs, the excavation of off channel alcoves, riparian alder girdling, riparian alder removal, and riparian fencing.

A long term monitoring plan was developed by the Oregon Department of Fish and Wildlife, funded by the Oregon Wildlife Heritage Foundation. Implementation of the monitoring program by ODFW staff with support from the University of Washington School of Fisheries began with mapping of the project sites during summer 1995. The initial monitoring was designed to examine the effectiveness of the stream projects in 1) remaining stable through the first winter storm events, and 2) creating habitat attributes which enhance coho salmon juvenile over-wintering habitat. The initial winter survey of the completed project areas was conducted between December 14-19, 1995. The abundance of spawning fish was documented over a period from October 1995 through January 1996. The follow up survey of physical attributes was conducted between March 16-23, 1996. Sampling of fish use in and adjacent to the project areas began on March 16 and continued through April 25, 1996.

The habitat enhancement projects have undergone two winter storm events, the first of these events occurring in late November with a magnitude of about a five year recurrence (Hubbard pers.comm. 1995). The second major extent, the "Flood of 96", was much larger with recurrence intervals estimated at between 25 to 100 years, depending on local conditions. The projects also experienced a wind storm on Dec. 12, 1995 and a spring flood on April 24 and 25, 1996. It was believed that the wind storm would affect the dynamics of the sites through the addition of more large wood debris into the stream channel. Riparian enhancement work, including alder girdling, alder removal, and fencing was not evaluated as part of this initial survey. The riparian work was not included because it was too early to recognize an affect from these types of projects.

The objective of this report is to 1)summarize the results of the winter and spring project surveys 2) evaluate the initial effectiveness of the in stream work, and 3) provide preliminary recommendations for future projects.

Methods

Addition of Large Woody Debris (LWD)

Three main types of tree placement occurred in the projects completed in 1995. These included; 1) falling trees directly into the stream channel, with no further placement; 2) Placing cut trees into the channel and using natural anchoring techniques such as wedging the trees in riparian alders; and 3) placing trees into the channel and using cable to anchor the trees in place. The only projects that used cabling of trees were the S. Fork Wilson River and the S. Fork Little Nestucca River. The S. Fork Wilson River was not included in the projects visited in the winter of 1995-1996, and only one site on the S. Fork Little Nestucca River used cable. Due to a lack of survey information, the use of cabling was not evaluated in this survey. The site attributes that were observed for each piece of wood included size, location, movement, anchor type, debris type, and whether or not the LWD was producing scour, enhancing secondary channels, damming water, providing cover, trapping sediment, or trapping additional woody debris. Whether or not a site was producing scour, damming water, enhancing side channels or providing cover was used as an indication of providing winter habitat enhancement for Coho Salmon.

The observation of whether or not a site was slowing or trapping sediments was excluded from the December analysis due to the lack of consistency in water clarity and subsequent lack of sediment visibility during that survey.

Off Channel Areas

The 17 off channel areas were observed for depth at entrance to the stream channel. inflow and outflow, bank erosion, siltation, and cover, and fish use.

Rock Weirs

Only five rock weirs were observed at two projects. Most of the rock weirs constructed in 1995 were built on the S. Fork. Wilson River and were not observed in this survey. The construction methods used on the five rock weirs that were observed did not include the use of cabling to anchor the rocks to each other, or to the stream channel. Rock weirs were observed for the same basic characteristics as the tree placements. Location and size of the rock weirs was not recorded in the survey.

Results

Addition of LWD

At the North Coast Project sites, the flooding of 1996 in most cases resulted in the maintenance or slight increase of habitat important to the over-wintering of coho salmon (Table 1and 2, Figure 1) . The flooding caused more small debris movement in the stream, which was trapped by the placed wood. This additional woody debris in turn provides additional cover for juvenile fish. Also associated with the flooding was

25-646 O - 96 - 4

increased area of secondary stream channels, and scouring of pools resulting in increased channel depth.

A short term detrimental effect of the major flooding was the loss of many of the small debris dams that had developed during earlier high flow events. The pools associated with these debris dams were reduced or eliminated, which in turn lowered the area of dammed pool habitat available to salmonids within the reach. These small debris dams were a result of the entrapment of fine organics, branches, and leaves during the early winter storm events. The washout of these habitats is natural and many of the sites will collect small debris in future moderate flow events.

In the December and March project evaluations, it was noted that sites with more than one piece of wood were more effective at providing the attributes of scour, damming, cover, secondary channel habitat, and debris entrapment (Figure 2). In March, 100% of the sites with three or more pieces of wood per site were trapping additional debris and sediment, and providing cover (Figure 2). The amount of cover at a given site is directly proportional to the amount of wood, either placed or entrained at a site.

Full spanning debris jams provided the most area and highest quality of habitat, regardless of the number of pieces of wood in a jam. These jams have been created through either a high number of pieces of wood at a site, or because a site has a large volume of branches contacting the stream channel.

The movement of the key pieces of LWD placed in the stream channel was actually less in March than the movement observed in the December survey. Only three pieces that were more than one active channel width in length moved downstream from where they were placed during the floods. All three of these pieces were not naturally anchored in any way. The lack of large scale movement during the high water in February is evidence that many of the pieces of wood "settled in" during the early winter storms. A high proportion of the total number of the placed woody debris pieces had some degree of shifting. Over the course of the first winter 28% of the pieces of wood realigned either in the November or February high flow events.

Another observation was that those pieces of wood that are above the active channel of the stream are not providing habitat for salmonids. Although all wood was initially placed with at least some portion of it contacting the active channel, the flooding actually caused some pieces to be scoured under to a point that they are no longer contained within the active channel. This wood will continue to function, however, during future high flow events.

Off channel habitats

Of the 25 off channel ponds observed, only 58% were functioning as planned after the February flooding. These functioning alcoves had adequate flows for fish passage, fish were observed using the areas, and sedimentation was minimal (Table 3, Figure 3). Many of these functioning off channel areas have tributary or large spring inputs, and are located away from the main channel far enough so as to prevent significant flooding from the main stream during winter storms. Seven off channel excavations failed in the February floods. These areas are currently either not allowing fish passage, are filled with sediment, or are now part of the main stream channel. Four off channel areas have questionable access, or fish use.

Boulder berms

No movement of the five boulder berms on Bewley Cr. and Klootchie Cr. were observed. Little change also occurred to these areas. The areas are currently providing dammed pool habitat, but cover and complexity is generally lacking in these areas.

Fish Monitoring

Data is being collected now -- preliminary analysis show higher rearing populations within enhanced areas compared to untreated sections of the same streams. A pair wise comparison (non-parametric) of treated and untreated stream segments shows significantly higher rearing populations of coho salmon (P<0.10). However, the absolute numbers of juvenile coho was still very low, probably due to lack of adequate seeding. Also, spring and summer rearing numbers do not directly translate into eventual smolt production. However, because the projects were designed to enhance winter carrying capacity, benefits are expected.

Few coho salmon presmolts were observed in the limited amount of observation that was conducted. This lack of fish may be due to the February flooding, or to the generally low adult escapements observed in these systems over the past few years. The one exception to this was Ecola Cr. where many coho presmolts were observed in and around the placed LWD. (Table 4)

Few coho salmon fry were also observed, with the exception of those tributaries of the North Fork Nehalem River, Ecola Creek, and Foley Creeks.

Additional Observations

A large debris torrent occurred in a tributary of Kenusky Cr. just upstream of the project area. This torrent currently poses no danger for the habitat enhancement work, although it is blocking upstream migration of salmonids above the enhancement site. This area should be monitored closely over the next few seasons to determine if the stream naturally will allow for fish passage over time. If passage does not occur to this area in the next few years, then steps may have to be taken to remove some of the wood that prevents fish passage.

Tributary debris flows were also noted upstream of the project on Weed Creek. These debris flows are not currently posing any problems for Weed Creek, although a very large pulse of course sediments have now entered the system.

Recent beaver activity was only noted at 10 of the 20 projects evaluated.

Recommendations

Many of the recommendations made in the January 1996 monitoring report still hold true, even after the February high flows (see below). A special emphasis should be placed on using a mixture of sizes and angles when placing LWD in the stream channel, and a majority of the woody debris at a given site should be placed within the active channel of the stream.

The future construction of off channel habitats should be closely scrutinized after looking at the mediocre results from the 1995 projects. Off channel habitats

should be confined to areas that have tributary or large spring inputs, and preferably should be kept out of the bankfull flows of the main river channel. Off channel areas within the bankfull flow of the stream are very susceptible to sedimentation, and blockage of fish passage. These potential off channel areas near the main stream channel can, in many cases, be enhanced more easily and "naturally" with the selective placement of LWD.

Preliminary Recommendations for Furture Planning and Reporting

Addition of Large Woody Debris

It was clearly evident through the observations to see that most of the trees that were not intended to move did not, and most of the trees that were intended to move did. Because of the low number of trees that did move a significant amount (>1 active channel width) it was impossible detect patterns as to why these trees moved.

I would urge caution in using the fact that many trees did not move as a reason to put trees into the stream that are less than 20 in. diameter, or less than twice the average active channel width of the stream. Many of the trees placed into the streams in 1995 were between 1.5 times and 2 times the average active channel width of the stream, and many were in the 16"-20"dbh range. The minimal size of the trees placed into the streams, coupled with the fact that they only experienced a five year event leads me to believe that many more trees would have moved in a higher event.

The data on multiple piece sites and single piece sites clearly points to the multiple piece sites as more effective in providing the attributes of scour, damming, cover, secondary channels, and debris entrapment. Although this is the case, I would urge caution in making all of the placement sites in the future multiple piece sites. After viewing the sites, it was apparent that a mixture of sizes of wood, along with a mixture in the number of pieces used at each site would create a more natural looking stream, and a more effective project.

Off channel

Although the constructed off channel areas were observed in this survey, a more effective means of evaluating these areas would be to sample the areas for fish presence/absence in the early spring (late February to late March), as well as observing the areas for adequate juvenile passage out of the areas in late spring. After this monitoring, changes can be made to the alcoves to enhance their productivity.

The lack of cover in most of the sites could be remedied through the placement of tree bundles or other brushy debris into the alcoves. This could be done any time of year and does not require permits to do so. It would be advisable to use large enough debris so that it will stay anchored in the off channel areas and not become a blockage to fish passage out of the alcoves.

Rock weirs

The lack of cover, debris entrapment, and secondary channel enhancement provided by the five rock weirs observed is mainly due to the fact that the rock weirs are mainly designed to dam water, and channel the flow of the stream. These weirs would generally be more effective if used in conjunction with LWD, so that cover can be

provided in the pools above the weirs. After looking at the work that has to go in to constructing a rock weir, I would only recommend their use in larger river systems, where natural placement of LWD would be impossible, or in systems where LWD is not available for a project.

Project selection

The project selection criteria used in the original plan appeared to work well for ease in access, and effectiveness in maintaining stable woody debris. Originally only those areas with an active channel width of up to 10m were selected as potential project areas. After placing wood in W. Fk. Ecola Cr. which has an active channel width of 15m it was apparent that if long enough trees are available, the rule of using trees that are twice as long as the active channel width can still be used in streams up to 15m active channel width. Large trees could also be used in streams larger than 15m active channel width if they are naturally anchored on at least one side of the stream, with only a small portion of the tree placed into the stream channel. The size the trees used and the placement of these trees is largely dependent on the density of large alders and conifers that are within 1 active channel width of the stream channel.

Project Methods

In order to make project monitoring more easy I have a few recommendations on project design and implementation. The first recommendation is to decrease the scale of the drawings used to map out the project areas. This would allow a more precise account of where trees were placed and the trees used to anchor individual pieces of wood. I would recommend the scale of printed maps to be maintained at around 1"=50'. I would also recommend improving the number of sizes and types of LWD "clip art" used to design the projects.

During project implementation I would recommend putting a small tag and identifying number on every piece of wood placed into the stream channel. The length, diameter, and position of every piece of wood should be recorded along with its identifying number. I would also recommend updating the project maps as soon after project completion as possible. These two items, along with the more detailed project maps and written explanation of work done would greatly improve the ability to track structure change over time.

Post treatment surveys

In order to gain a better understanding of the actual amount of off channel habitat created through the enhancement work, time needs to be spent measuring the dimensions of all of the constructed off channel areas. A way of quantifying the amount of in stream slow water habitat created by the addition of LWD, also needs to be developed. This could be a simple estimation of square meters of habitat observed at winter high flow conditions.

TESTIMONY OF

STEPHEN E. GAST

PHILLIPS PETROLEUM COMPANY

TO THE

SUBCOMMITTEE ON FISHERIES, WILDLIFE AND OCEANS

COMMITTEE ON RESOURCES

U. S. HOUSE OF REPRESENTATIVES

MAY 16, 1996

Good morning Mr. Chairman. My name is Stephen E. Gast. I am the Eastern Region Exploration Manager for Phillips Petroleum Company, located in Houston, Texas. My primary responsibilities with Phillips include the evaluation and recommendation of potential oil and gas prospects and I oversee the exploration activities on those prospects.

I am particularly delighted to be able to attend today's hearing since I also have a personal interest in wildlife. I am currently the Vice President of Financial Affairs for the Houston Audubon Society; I've been an Officer within the Houston Audubon section for 6 years and a National Audubon member for 29 years.

On behalf of Phillips, I am most appreciative of this opportunity to appear before the Subcommittee today and share with you some of the successes of the partnership relationship that our company has enjoyed with the National Fish and Wildlife Foundation.

Phillips Petroleum Company is an integrated oil and gas company with worldwide exploration and production operations as well as refining, marketing and natural gas gathering and processing operations. Phillips also has significant chemical and chemical plastics operations.

Phillips was founded in 1917 and is headquartered in Bartlesville, Oklahoma. The company has 17,400 employees.

Phillips is proud of our association with the National Fish and Wildlife Foundation. We have enjoyed a strong working relationship with the Foundation on a number of projects, ranging from wildlife and habitat enhancement to environmental education. Phillips is also involved in other environmental programs that build on and complement our work with the Foundation.

The ability to bring the private sector together with the Foundation has resulted in benefits that help conservation and ease the financial burden that Congress continually faces in trying to stretch the federal budget to fund worthy projects such as those undertaken by the Foundation and its partners.

Identifying Worthwhile Projects

The Foundation's unique mission and its relationship to the Department of the Interior enables it to identify environmental projects of national significance. The Partners In Flight program is one example.

Partners In Flight is a cooperative, international effort to address the decline in many species of neotropical migrants (songbirds). Phillips is involved in three Partners In Flight programs---International Migratory Bird Day (IMBD), the Sutton Avian Research Center and the Gulf Coast Bird Observatory (GCBO). A description of each of these projects is found on the fact sheet accompanying this statement.

The Sutton and GCBO partnerships have given Phillips the opportunity to work in areas of the country where we have employees and facilities--namely Oklahoma and the Gulf Coast. Among other things, this has allowed us to better utilize our in-house expertise and resources. Through IMBD, we are able to broaden our scope and participate in an effort that includes all of North America.

Building Partnerships

The National Fish and Wildlife Foundation is the catalyst that brings together diverse organizations to solve a common problem. The Foundation provides opportunities to build a closer bond between the private sector, respected environmental groups and key federal and state agencies. There are few programs around that promote such relationship building, which we view as vital to achieving the results envisioned by the National Fish and Wildlife Foundation Establishment Act when it was enacted in 1984.

These partnerships address issues across agency and organizational boundaries. They allow participants to put aside differences and focus on what can be accomplished by working together. They provide a means of reaching important goals that are beyond the reach of individuals or single organizations.

Without the presence of the National Fish and Wildlife Foundation, it is unlikely that Phillips would have built relationships with organizations like the Smithsonian Migratory Bird Center or the Cornell Laboratory of Ornithology. Both of these facilities are involved with Phillips in International Migratory Bird Day.

Absent the existence of the Foundation, it is also unlikely that Phillips would have known of--or been involved in--programs such as:

- ***Wolfweed*** ® -- An effort to provide fresh water and food for some 250 species of birds and 400 species of wildlife on the San Bernard National Wildlife Refuge in South Texas.

- ***A Home For Pearl*** ® -- An award winning video series that helps school children learn the importance of habitat through the story of an injured bald eagle named Pearl who is nursed back to health by caring youngsters.

Promoting Environmental Education

The National Fish and Wildlife Foundation is as committed to sound environmental education as it is to the wildlife it seeks to protect. Through the support of the Foundation, programs such as Project Wild ®, Project Wet ® and Project Learning Tree ®

have become the most popular and best respected environmental education programs in the country. Phillips is proud to be a corporate sponsor of all three.

Phillips shares the Foundation's philosophy that children should be taught how to think, not what to think. Through the Phillips Environmental Partnership Awards (PEP), we provide small grants to teachers for worthwhile environmental projects--projects that enable students to build their own outdoor classroom, monitor a local stream or develop a recycling program. These are projects that give youngsters the opportunity to learn by doing. They enable students and teachers to move their ideas from the drawingboard to actual implementation.

We also share the Foundation's belief that educational outreach should be a component of any environmental project. Phillips has been able to identify educational opportunities in almost every environmental program we support.

- *Playa Lakes Joint Venture* -- Through Project Wild, the joint venture developed education materials and conducted teacher training that helped young children living in the High Plains to understand and appreciate the importance of playas to waterfowl and other wildlife.

- *Tallgrass Prairie* -- To heighten public awareness of the Tallgrass Prairie and Oklahoma's biodiversity, Phillips co-sponsored a three-part television series, "Oklahoma's Last Great Places," and worked with Oklahoma State University on related teaching materials and training.

- *Your Toxic Trash* -- This 30 minute PBS special won a prestigious Silver Apple Award for stressing the growing problem of hazardous household waste. The program was offered (at no charge) to high school science teachers across the country, along with a teacher's guide.

- *Water* -- This PBS special explored society's precarious reliance on the world's fragile water cycle and revealed the consequences of treating water as a limitless commodity. Phillips and the other co-sponsors worked with the Foundation on related teaching materials for high schools across the country.

Leveraging Contribution Dollars

Challenge grants are an important part of Phillips' philanthropic giving. By encouraging an organization to raise matching funds, partnerships are built and a broad base of support is developed. That is the principle upon which the National Fish and Wildlife Foundation also operates. For every public dollar appropriated to the Foundation, an average of $2.30 in private funds is contributed for on-the-ground conservation projects.

Sometimes, organizations are able to raise much more than that. Since 1992, the Foundation has contributed $153,000 to the Gulf Coast Bird Observatory. The GCBO has raised an additional $753,000 from other sources. This means that for every $1 of public money donated by the Foundation, the GCBO has raised an additional $4.90. This does not include a 155-acre land donation made by Amoco, which was valued at $700,000. If the value of the land is included, the partnership has raised $9.50 for each $1 of public funds from the Foundation.

The Foundation brings credibility to a project. Donors are often more likely to contribute to a program when they learn it has the support of the National Fish and Wildlife Foundation. That is one of the main reasons we have been successful in raising funds for the Gulf Coast Bird Observatory.

The Human Dimension

The success of a program depends, not only on the amount of money committed to it, but it also depends on the people involved. The staff of the Foundation not only brings expertise and experience to wildlife projects, but also provides the heart, soul and commitment that it takes to successfully complete a project.

In our association with the National Fish and Wildlife Foundation, we have found the staff to be responsive and efficient. They are responsible stewards of the environment and good stewards of the public funds entrusted to them.

Based upon our experience in working with the Foundation and the reputation that the Foundation has within the private sector, Phillips will conclude by responding to the Subcommittees' questions contained in the letter of invitation: The Foundation is functioning wonderfully, its grants programs bring a wide array of benefits to society and it is one of the best investments that Congress can make with the public's tax dollars. We look forward to a continued partnership.

Again, Phillips appreciates this opportunity to review with the Subcommittee our work with the Foundation and our commitment to addressing conservation and habitat projects that benefit society and the environment. I will be happy to try and respond to any questions that the Subcommittee might have.

Thank you.

* Represents programs in which Phillips Petroleum Company and the National Fish and Wildlife Foundation are partners.

fact sheet

PHILLIPS PETROLEUM COMPANY
CORPORATE RELATIONS & SERVICES BARTLESVILLE, OK 74004

PHILLIPS ENVIRONMENTAL PARTNERSHIPS

**Indicates partnership with National Fish and Wildlife Foundation*

Wildlife and Habitat Protection

Playa Lakes Joint Venture: Phillips was one of the founding partners of this cooperative effort of government and private entities to preserve the playas of Oklahoma, Texas, New Mexico, Colorado and Kansas. Playas, which are small, shallow basins, serve as critical habitat for some 4 million ducks, geese and sandhill cranes. An important part of the effort is providing teachers with educational materials that stress the importance of playas.

***Wolfweed:** Named after a low-value plant that covers much of the area, the Wolfweed Reservoir Project will assure fresh water and food for the 400 species of wildlife and 250 species of birds found on the San Bernard National Wildlife Refuge in south Texas. Phillips' Wolfweed partners are the U.S. Fish and Wildlife Service, Ducks Unlimited and the National Fish and Wildlife Foundation.

***International Migratory Bird Week:** Phillips is the corporate sponsor of this program, which is aimed at heightening public awareness of migratory birds and the conservation challenges they face. The event is held each May and includes activities in the United States, as well as Canada and Mexico. Involved in the program are the National Fish and Wildlife Foundation, U.S. Fish and Wildlife Service, Cornell Laboratory of Ornithology, the National Audubon Society and the Smithsonian Migratory Bird Center.

***Sutton Avian Research Center:** The work of this premier research facility is focused on identifying the factors behind the precipitous decline in certain bird populations and on breeding programs to restore endangered species. Phillips has been a key supporter of the center since its inception in 1984.

***Gulf Coast Bird Observatory:** In 1993, Phillips helped form a unique alliance of two conservation groups, three federal and state agencies and two petroleum companies to expand and improve habitat at High Island, Texas. Located about 60 miles south of Houston, High Island is one of the most important resting places for neotropical migrants -- or songbirds -- as they migrate to the United States each year from Central and South America. The partnership has now expanded its efforts to establish a bird observatory network across the Gulf Coast, from Florida to Mexico.

Wood on the Wing: This collection of prize-winning wildfowl carvings illustrates through art the fragile habitat upon which many species of birds depend for their survival. The carvings represent the best in show at the Annual Louisiana Wildfowl Carvers Festival, held in New Orleans. Phillips has been a sponsor of the event for 16 years, and purchases the winning carving each year. In 1995, the company toured Wood on the Wing for the first time, taking the collection to 10 cities across the country.

Rigs to Reefs: Fish are finding an unusual new habitat in the Gulf of Mexico. A production platform owned by Phillips has been toppled and turned into an artificial reef. Phillips was the first company to provide an offshore petroleum platform to the State of Texas for its Rigs to Reefs program, an effort designed to create new fishing habitats for recreational and commercial purposes. Offshore platforms have long attracted marine life because of the size, shape and openness of the structures.

Tallgrass Prairie: The United States once had about 142 million acres of tallgrass prairie; today, that acreage has virtually disappeared. Phillips is helping support The Nature Conservancy's efforts to restore the 30,000-acre Tallgrass Prairie Preserve in northeast Oklahoma. To heighten awareness of the Tallgrass Prairie and Oklahoma's biodiversity, Phillips co-sponsored a three-part television series, "Oklahoma's Last Great Places," in late 1993. Teaching materials are now being developed, and the company plans to make the series available to teachers across the state.

Trucks for Turtles: Four vehicles that once traveled the oil patch of West Texas are now being used by wildlife biologists in Mexico to protect endangered sea turtles. The four-wheel-drive vehicles were donated by Phillips to aid the International Sea Turtle Program, a cooperative effort sponsored by the U.S. Fish and Wildlife Service to conserve sea turtle populations in the United States and Latin America.

International Wildlife and Habitat Programs

Seal Sands: Located along England's River Tees, Seal Sands is dense with industry and dense with wildlife. It is the feeding and basking ground for both gray and common seals and the only remaining feeding ground for transient and migratory birds for a large section of Britain's east coast. Employees at Phillips Teesside Terminal have joined a partnership to protect and preserve this unique habitat.

North Sea Bird Count: A former Phillips physician and avid birder looked at the oil platforms stretching from England to Norway and saw an opportunity to monitor the migration of birds as they cross the North Sea. He established a network of oil industry employees in the late 1970s. Today that network involves dozens of observers living on offshore platforms sprinkled throughout the North Sea.

Bittern Reserve: Phillips U.K. operations are supporting efforts to conserve rare wildlife on the Norfolk Broads, critical habitat for rare birds, butterflies, dragonflies and plants and flowers. A major thrust of the program is to encourage the return of the virtually extinct bittern to nest there. The bittern is one of Britain's most endangered species.

Environmental Education

PEP Awards: Grants ranging from $500 to $5,000 are available to schools and nonprofit community groups which successfully compete in the Phillips Environmental Partnership Awards. Since 1993, the date the competition began, Phillips has contributed almost $500,000 to more than 130 local, environmental projects.

***Project WILD:** Phillips is corporate sponsor of Project WILD, one of the country's largest and most respected environmental education programs. Phillips and WILD are working together to establish an "Action Grants" program in all 50 states. Action Grants provide a source of funding for teachers involved in developing environmental education projects.

Birdbox Program: Students in all 50 states and several foreign countries are learning about birds and their habitat through this hands-on program, co-sponsored by Phillips and Oklahoma Project WILD. Using birdboxes made of wax-impregnated, corrugated paper, students learn what species might be expected to use the boxes, where and when to place them outdoors, and how to check them. Teachers monitor the results and forward them to the Project WILD administrator.

***Project WET:** Phillips has recently agreed to co-sponsor this new environmental education program, which focuses on the importance of water resources. Phillips funds will be used to help the program expand into all 50 states.

***Project Learning Tree:** With help from Phillips, the U.S. Junior Chamber of Commerce and Project Learning Tree, a national environmental education organization, are forging a new partnership to address community environmental needs. This partnership is developing a process to bring teachers, civic volunteers and students together to identify and solve local environmental problems.

***A Home For Pearl**: This award-winning video series helps school children learn the importance of habitat by telling the story of an injured bald eagle named Pearl who is nursed back to health by caring youngsters. Phillips provides this outstanding video and related teaching materials to educators at no charge.

Lignite: A special three-week course on lignite mining, which Phillips funded with Texas A&M, has now been incorporated into the earth sciences curriculum for all Texas eighth graders. The course was originally intended for students in communities where Phillips has lignite interests. The decision to incorporate it into mainstream studies came at the request of Texas educators.

Keystone Science School: Since 1993, Phillips has sent two teachers to this prestigious school for a week-long environmental education program. The teachers are nominated by their school districts at the invitation of local Phillips management.

Your Toxic Trash: This 30-minute PBS special, which Phillips co-sponsored in 1993, has won two important awards: a Silver Apple Award, recognized as the standard of excellence for educational media, at the 1994 National Educational Film and Video Festival; and Best Television Special from the Environmental Media Association, an organization that encourages incorporation of environmental themes into television, feature films and movies. Hosted by Ed Begley Jr., "Your Toxic Trash" stresses the growing problem of hazardous household waste. "Your Toxic Trash" was offered to high school science teachers across the country, along with a teacher's guide that contained inter-curriculum class discussion and student projects.

***Water**: For Earth Day '95, Phillips worked with PBS on this special, hour-long documentary, which explores society's precarious reliance on the world's fragile water cycle and reveals the consequences of treating water as a limitless commodity. Hosted by James Earl Jones, "Water" examines how resources are used in the western United States, Australia, New Zealand and Mexico. Phillips and PBS are developing related teaching materials and will offer the program to high schools in the fall of 1995.

Tornado Alert: What You Need to Know: For many Phillips' communities, springtime not only brings warmer temperatures, but also the threat of tornadoes. Tornadoes create the fastest winds on earth, exceeding 300 miles per hour. While tornadoes are especially prevalent in the South and Midwest, touchdowns have been reported in every state in the country. To help families prepare for tornado season, Phillips co-sponsored a one-hour special on PBS filled with vital tips on precautions one should take if a tornado threatens or occurs. Phillips and PBS are working together on another special for the fall of 1995 that describes steps to take in the event of a fire.

Other

Environmental Annual Report: Phillips was one of the first companies to subscribe to the Public Environmental Reporting Initiative (PERI), a voluntary effort by a group of companies to promote balanced and meaningful environmental reporting. Phillips issued its first Environmental Annual Report in 1993.

fact sheet

PHILLIPS PETROLEUM COMPANY
CORPORATE RELATIONS & SERVICES BARTLESVILLE, OK 74004

ENVIRONMENTAL AWARDS

National Great Blue Heron Award: In 1996, Phillips was recognized by the North American Waterfowl Management Plan (NAWMP) for its efforts to preserve habitat for migrating waterfowl. Phillips is a founding partner in the Playa Lakes Joint Venture, one of 14 joint ventures working under the auspices of NAWMP. NAWMP is a cooperative international program that includes the governments of the United States, Canada and Mexico. Its charge is to identify the most important regions to waterfowl for breeding, migration and wintering; and establish goals for conserving wetland habitats and restoring waterfowl populations.

Director's Corporate Wildlife Stewardship Award: In 1994, U.S. Fish and Wildlife Service presented Phillips with one of its highest environmental awards, reserved "for corporations whose activities demonstrate earnest concern for the nation's environmental causes and for exemplary service rendered our country's wildlife resources." Phillips was recognized for the leadership role it took in forming the Playa Lakes Joint Venture and the Gulf Coast Bird Observatory, as well as for its work to restore habitat on the San Bernard National Wildlife Refuge and its support of sea turtle research.

North America Association for Environmental Education: In 1994, Phillips received the "Outstanding Service to Environmental Education Award" in recognition of the company's many efforts to promote environmental education at the primary and secondary school levels. NAAEE is the largest association of its kind in the world, with more than 2,000 members in 25 countries.

Presidential Citation: In 1991, President George Bush recognized the Playa Lakes Joint Venture for its work in preserving habitat for migrating waterfowl.

Renew America: In 1992, Phillips received a Certificate of Environmental Achievement for its work with the Playa Lakes Joint Venture and Oklahoma Project WILD's Birdbox Program. Renew America is comprised of 28 of the country's largest environmental organizations.

Corporate Environmental Progress Award: In 1995, Phillips was recognized by the Houston Audubon Society (HAS) for its "sincere commitment and serious investment in personnel, time and effort by a corporation to address environmental concerns." Phillips is a long-time supporter of HAS and recently helped the organization build an alliance of public and private organizations to improve habitat for songbirds along the Texas and Louisiana Gulf Coasts. HAS is one of the largest Audubon chapters in the country, with some 5,000 members.

NEDA Honor Roll: In 1993 and 1994, Phillips was honored by the National Environmental Development Association for the Playa Lakes Joint Venture and the Phillips Environmental Partnership Awards.

Arkansas Wildlife Federation: In 1994, Phillips Exploration and Production staff in Arkansas was honored for its efforts to operate in an environmentally responsible manner.

U.S. Environmental Protection Agency: In 1990, Phillips received two awards from the EPA for the company's hazardous waste program and its Tulsa storage facility.

National Institute for Urban Wildlife: In 1990, Phillips won the Outstanding Conservation Award for Environmental Excellence in recognition of the company's involvement in the Playa Lakes Joint Venture and for its innovative program to harvest mussels from its platforms offshore California.

Commune of Tessenderlo, Belgium. In 1990, Commune officials presented Phillips with the 1991 Community Environmental Award, marking the first time a chemicals facility had won the award.

Testimony of Fred Bonner
To the House Subcommittee on Fisheries, Wildlife and Oceans
May 16, 1996

Subject: Red Wolves and the National Fish and Wildlife Foundation.

My name is Fred Bonner. I am from Raleigh, North Carolina and I am here at the request of Representative Walter Jones, Member of the Subcommittee on Fisheries, Wildlife and Oceans.

I am a wildlife biologist, freelance writer and editor of a hunting and fishing magazine owned by The News and Observer Publishing Company. I am here representing the organization CROWN, which stands for "Citizens Rights Over Wolves Now."

My reason for being here is to question the use of federal tax monies on the part of the National Fish and Wildlife Foundation to support the red wolf program in North Carolina. The uses of our tax monies to support such an unpopular program illustrates how the U.S. Fish and Wildlife Service launders money through the National Fish and Wildlife Foundation to lobby themselves and the American public. The use of our money to advocate such an unpopular program is wrong.

Our local elected officials in North Carolina are strongly opposed to the red wolf program. This is clearly indicated by the bill introduced by Senators Jesse Helms and Lauch Faircloth last year. The bill would have de-funded the red wolf program. It was narrowly defeated by two votes but it serves to illustrate just how unpopular the red wolf program is and how the National Fish and Wildlife Foundation is using our tax dollars to support unwanted programs.

Our North Carolina General Assembly has enacted a law which would allow landowners who reasonably believe people or livestock are threatened by wolves to trap and kill them, as I will explain in a few minutes, this law has created some controversy. It's a state's rights over federal rights issue.

Since 1988 the National Fish and Wildlife Foundation's share of grant money given to red wolf projects amounts to some $75,000.00.

The North Carolina Wildlife Resources Commission could have well used these monies for better wildlife programs and it galls many of our local citizens and politicians to see our money being used on unpopular and un-needed wildlife management projects.

It looks like the Foundation is listening to a small fringe group of radical environmentalists and not the local citizens and governments that the red wolf program directly affects.

Several years ago when the first plane load of red wolves arrived at Raleigh-Durham International Airport, I was the only press person present to meet the plane. I was 100% in favor of the reintroduction of the red wolves in North Carolina. It was only after I began to learn more about the project and how the U.S. Fish and Wildlife Service had misrepresented the truth to the citizens of North Carolina as well as our North Carolina Wildlife Resources Commission that I turned against the red wolf project.

I fully realize that predators (specifically top predators) are necessary in any ecosystem. It's part of the natural food chain. In most cases in today's world, man has become the top predator. I'm saying this at this point to make it vary clear that I am not against predators. They're a very necessary part of the world that we live in.

The North Carolina Wildlife Resources Commission was concerned about the introduction of red wolves in our state because of numerous things. Primarily they were

concerned because they felt that the wolves would leave the National Wildlife Refuges where the Fish and Wildlife Service was releasing them. The Commission felt that if the wolves left the Alligator River National Wildlife Refuge, where the wolves were supposed to be contained, they would soon range up through the Roanoke River delta where the Service also had land holdings. The North Carolina Wildlife Resources Commission also has numerous public hunting areas in the Roanoke River area.

The Roanoke River delta is the stronghold of a growing wild turkey population that the Commission has been working very hard to restore. Predators such as coyotes (or red wolves) are known to be very detrimental to wild turkey populations.

Because of these concerns, the Fish and Wildlife Service agreed to classify the new red wolves as "experimental and non-essential" in a five county area that was in close proximity to the Alligator River National Wildlife Refuge. They also made a verbal agreement (unfortunately, not in writing) with the Wildlife Commission to the effect that if the red wolves wandered off the refuge where they had been introduced, they could be shot on sight as vermin.

It is necessary to point out that coyotes are returning to our state as they are in most states along the Atlantic Seaboard. Our wildlife managers do not want these pests in our state and we have a year-round open season for these animals. They're considered to be vermin and they can be shot at any time.

It is very confusing to varmint hunters to know that coyotes can be shot on sight yet red wolves, which not even the Fish and Wildlife Service's biologists can tell apart without actually getting their hands on them, can't be legally shot.

In spite of repeated questions to the U.S. Attorney's office in Raleigh to clarify the status of the killing of red

wolves by hunters who think that they are killing legal coyotes, there are no answers. The only statement I can get from the U.S. Attorney's office is that "each case will be handled on an individual basis." Frankly this attitude by the federal law enforcement officials scares the Hell out of most hunters. They don't know whether or not to shoot the coyotes because it's nearly impossible to tell the difference in a coyote or a red wolf. If the federal biologists who work daily with the red wolves have trouble telling the difference, how do they expect the average hunter to tell the difference?

Our hunters and citizens are as confused as ever.

The U.S. Fish and Wildlife Service stated numerous times (they also put this in writing) that if a red wolf was accidentally killed incidental to a legal activity, then the person who had taken the animal was not to be charged with any crime.

James Johnson, a large landowner near the Alligator River National Refuge, accidentally killed a red wolf thinking that it was a coyote some years ago. The biologist in charge of the red wolf project, Mike Phillips, came to Johnson's farm to identify the animal and claim the carcass if it was a red wolf. At that time he told Mr. Johnson that the animal was a red wolf but that he'd done nothing wrong because he had shot it thinking that it was a coyote. Later the Federal Game Wardens tried to have Johnson indicted for killing a red wolf in spite of the fact that Johnson had been told verbally and in writing that he'd done nothing wrong. The U.S. Attorney's office later refused to prosecute Johnson but it wasn't through any actions from the enforcement officers. They tried everything in the book to prosecute James Johnson. If James Johnson had not had the money to fight the charges I feel sure that he would have been prosecuted to the full ability of these over-zealous enforcement officers.

It was a beautiful example of "the right hand not knowing what the left hand was doing" as well as being a case of abuse on the part of federal law enforcement officials.

We were also told that the wolf's diet would consist of such small animals as opossums, nutria, raccoons and muskrats.

It wasn't long before many of the things that the Fish and Wildlife Service had been telling us proved to be false. In fact, many of the citizens of North Carolina consider the Service to have maliciously lied to us in order to get the wolves established in the state.

Soon the Fish and Wildlife Service began to expand the range of the wolves by moving them onto other National Wildlife Refuges. These relocations were over the loud protests of the North Carolina Wildlife Resources Commission as well as the various County governments.

Soon the red wolves began to wander off the federal lands and onto private lands.

The Fish and Wildlife Service began a program to have landowners sign an easement to allow wolves to roam on their lands. In some cases the landowners were paid to allow the wolves on their lands.

Over the years the landowners and deer hunters in the area where the red wolves were located began to notice that the deer herd was diminishing. At this point the Fish and Wildlife Service admitted that they had been wrong and that the wolf's diet consisted primarily of whitetail deer (over 60% according to their figures).

At least one large farm (Lux Farms) that had agreed to allow wolves access to their land had a change of heart and told the Fish and Wildlife Service to remove the red wolves from their lands. The deer hunters that had leased the hunting rights on the land were distressed that the deer were disappearing and were threatening to cancel their lease if the wolves were to be allowed on the lands.

Both Washington and Hyde Counties passed resolutions demanding that the Fish and Wildlife Service remove the wolves from the private lands that they had wandered onto. The Service did not comply with these demands so the Counties took their problems to the North Carolina General Assembly with a request that the State pass a new law that would allow private citizens to kill red wolves that were unwanted on their property.

The House Agriculture Committee was the first legislative body to get the request and they acted very cautiously before they made any recommendations to the full House and Senate. At their request the Regional Director of the Fish and Wildlife Service in Atlanta, Jim Pulliam, came to meet with the Agriculture Committee and tell the Service's side of the story. The committee carefully listened to the Fish and Wildlife's words and then recommended that the state pass the controversial bill.

This was over the objections of Director Pulliam who stated that if the state of North Carolina passed the bill it "could result in the State's having their Pittman-Robertson monies cut off." Needless to say this thinly veiled threat did not set too well with our legislators.

One legislator even made the statement that "the feds can take their funds and 'stick them where the sun don't shine.'" North Carolina is lucky enough to have a budgetary excess that's quite substantial and very well can get along without these federal funds if such drastic measures are necessary. It's a shame that the U.S. Fish and Wildlife Service can play games like this with our hunting and fishing monies. It seems that they forget just who they work for and whose monies they're working with.

On the other hand maybe they figure that they can get more money from the National Fish and Wildlife Foundation if they need it.

The North Carolina Legislature passed the new law over the threats of the U.S. Fish and Wildlife Service. This

new law went "in the face" of the federal government and is an indication of how unpopular the red wolf program is in North Carolina.

Originally the North Carolina Law permitting the taking of red wolves under certain circumstances had effect in only two counties (Washington and Hyde). Recently, at the request of Beaufort and Craven Counties, these two counties were added to the list bringing the list of North Carolina Counties that have "outlawed" the red wolves to four.

The U.S. Fish and Wildlife Service refuses to recognize the law and threatens to prosecute anyone who follows our North Carolina law.

Recently articles published in Scientific American proves that the red wolves are, in fact, only hybrids resulting from the crossing of coyotes with gray wolves, each of which are in plentiful supply. This new development has resulted in such actions as the Wilderness Institute's petitioning Secretary Bruce Babbit to remove the red wolf from the list of endangered species. Basically what the Institute is saying in their petition is that there is no such species as a red wolf. The red wolves became extinct long ago and the hybrid coyote that the Fish and Wildlife Service is calling a "red wolf" is actually jeopardizing the whole endangered species program. If hybrids are allowed to be added to the endangered species list, where does it stop? This is just another way that the Fish and Wildlife Service is abusing the Endangered Species Act.

From documents received from the Fish and Wildlife Service it was also discovered that the red wolves, if there is such a thing, were never in eastern North Carolina in the first place. As I understand it, the introduction of this exotic (to eastern North Carolina) species is a violation of the Endangered Species Act.

It was only a couple of weeks ago that we discovered that a large part of the funding for the red wolf program

has been coming from grants from the National Fish and Wildlife Foundation. Most of the monies that this foundation operates on comes from our tax money.

Many North Carolinians feel that the National Fish and Wildlife Foundation has been "laundering" money for the Fish and Wildlife Service and using millions of dollars of public tax money for advocacy programs as well as to lobby themselves.

For these reasons I feel that it would be to the advantage of Congress and the people of the United States to remove all federal funding from the National Fish and Wildlife Foundation.

Thank you for your time.

EXXON CORPORATION
Comments for an Oversight Hearing on the Programs and Effectiveness of the National Fish and Wildlife Foundation
Subcommittee on Fisheries, Wildlife and Oceans
Submitted to the Committee on Resources
May 16, 1996

History of Exxon's Relationship with the National Fish and Wildlife Foundation (NFWF)

Exxon has enjoyed a close working relationship with NFWF on major conservation projects since 1991, including the following:

Neotropical Migratory Bird Conservation Initiative ($115,000 from 1991-1993)
This project studied the impact of development on the habitats of 250 species of North American migratory birds.

Joint Russian-American Siberian Tiger Field Project ($225,000 from 1992-1994)
Conducted by the Hornocker Wildlife Research Institute of Moscow, Idaho, this project is now making critical progress in conservation of this largest tiger sub-species.

North Atlantic Humpback Whale Study ($50,000 from 1993-1994)
These funds supported identification of Humpback Whales and the development of a genetic data bank for seven species of Humpback Whales as part of an ongoing study by the Center for Coastal Studies.

In all, Exxon contributed nearly $400,000 to collaborative projects between 1991 and 1994. By securing support from Exxon and other private sources, on average NFWF effectively leveraged government funds by more than 2 to 1 on these projects.

Factors in the Selection of NFWF as Exxon's Partner in the Save the Tiger Fund (STF)

With Exxon's decision to establish a major project for tiger conservation beginning in 1995, perhaps the largest corporate-sponsored species recovery effort ever undertaken, NFWF was a natural candidate as a partner.

- NFWF has established a large network of conservationists and conservation organizations. This network assures that their projects are scientifically significant and carried out with professionalism.

- Exxon's years of collaboration with NFWF have resulted in the development of effective working relationships between staff and management of our two organizations.

- NFWF brings over a decade of experience with field conservation projects in general as well as with the Siberian tiger project.

- An able management staff, led by Amos Eno, ensures funds managed at NFWF are efficiently applied toward conservation projects rather than consumed in overhead and fund-raising expenses.

- NFWF is experienced and effective in cooperatively managing projects with one or more business or non-profit partners.

Exxon's Tiger Conservation Commitment

For most of this century, the tiger has symbolized Exxon and its products. Our relationship with the tiger is truly special. It's hard to imagine a world without tigers roaming somewhere wild and free. We don't want that to happen, not only because the tiger is our symbol - but also because the loss of this regal beast would diminish us all. That's why Exxon has pledged a million dollars a year for at least five years to help save the tiger.

Tigers once roamed over much of Asia. At the turn of the century, there were over one hundred thousand tigers in the wild, including representatives of eight sub-species. Today, only five sub-species still remain. The Bali, Caspian and Javan sub-species have all disappeared. The remaining sub-species - Bengal, Siberian, Sumatran, Indochinese, and South China - are all endangered. According to the Swiss-based World Conservation Union, there are only between 4,600 and 7,400 tigers still surviving in the wild today. It is generally agreed that their numbers are declining everywhere.

Although there are some 38 major protected areas in Asian countries, nearly one-third of all wild tigers live outside these ranges and are unlikely to survive.

The World Conservation Union lists all five sub-species as endangered. The more rare South China, Siberian and Sumatran tigers are critically endangered. They face an 80% chance of extinction within two generations, or about 15 years, if nothing further is done to protect them.

Yet, based on the professional advice of prominent tiger conservationists, Exxon's commitment of $5 million over five years, when combined with those who would join us through the Save the Tiger Fund, can make a difference. Species such as the American Bison, the Peregrine Falcon and our American symbol, the Bald Eagle are all examples of conservation success stories. Exxon wants the tiger to join this list.

Protecting the tiger and its habitat will also aid in the conservation of the many other species that live within the expansive areas needed to support these largest of the big cats.

ATTACHMENTS

Remarks by Lee R. Raymond
Chairman, Exxon Corporation
114th Annual Meeting of Shareholders
April 24, 1996 - As Given

(TIGER EXCERPT)

Before returning to the business of the meeting, I would like to comment on two other matters that I know are of particular interest to all of you.

While the Exxon tiger is running well throughout the world, the same can't be said for the real tiger which inspired our long-popular marketing symbol. I know that shareholders and employees share my concern about what is happening to this wonderful animal.

As many of you know, the tiger is an endangered species on the brink of extinction. Fewer than 8,000 remain in the wild.

In response to this, last year, Exxon and the National Fish and Wildlife Foundation, a nonprofit foundation, launched a major new campaign to help save the tiger. The Save the Tiger Fund is sponsoring plans designed by conservation experts to try to save the five remaining tiger species in Asia. In 1995, tiger projects in nine countries received support.

Part of this joint effort involves promoting grass-roots support by making the public aware of the plight of the tiger and encouraging tax-deductible donations. I hope that many of you were able to visit our Save the Tiger display in the lobby, which provides information on how Exxon is helping address this issue.

BOSTON PUBLIC LIBRARY
3 9999 05984 162 5

ISBN 0-16-052878-X